

**DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 18, 2016**

8:15 A.M. - 1220 South St. Francis  
Santa Fe, New Mexico

Docket Nos. 34-16 and 35-16 are tentatively set for September 1, 2016 and September 15, 2016. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule Subsection B of 19.15.4.13 NMAC requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued. A party who plans on using projection equipment at a hearing must contact Florene Davidson seven (7) business days prior to the hearing requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer. The following cases will be heard by an Examiner.

***Locator Key for Cases***

*Case 15367 - No. 11*  
*Case 15521 - No. 3*  
*Case 15522 - No. 5*  
*Case 15523 - No. 6*  
*Case 15529 - No. 1*  
*Case 15530 - No. 2*  
*Case 15531 - No. 4*  
*Case 15532 - No. 7*  
*Case 15533 - No. 8*  
*Case 15534 - No. 9*  
*Case 15535 - No. 10*

1. ***Case No. 15529: Application of BC Operating, Inc. for a non-standard spacing and proration unit, unorthodox well location, and compulsory pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 480-acre, more or less, spacing and proration unit comprised of the E/2 of Section 27 and the NE/4 of Section 34, Township 23 South, Range 26 East, Eddy County, New Mexico; (2) approving an unorthodox well location; and (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Red Light 27-34 State Com No. 1H Well**, which will be drilled horizontally from the NW/4 NE/4 (Unit B) of Section 27 to a non-standard bottomhole location in the SW/4 NE/4 (Unit G) of Section 34. The completed interval is unorthodox because it will be closer than 660 feet to the outer boundary. The completed interval for this well will commence 330 feet from the North line and 1,650 feet from the East line (Unit B) of Section 27 to a location 2,310 feet from the North line, 1,650 feet from the East line (Unit G) of Section 34. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of BC Operating, Inc., as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 10 miles southwest of Carlsbad, New Mexico.

2. ***Case No. 15530: Application of BC Operating, Inc. for a non-standard spacing and proration unit, unorthodox well location, and compulsory pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 480-acre, more or less, spacing and proration unit comprised of the W/2 of Section 27 and the NW/4 of Section 34, Township 23 South, Range 26 East, Eddy County, New Mexico; (2) approving an unorthodox well location; and (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Red Light 27-34 State Com No. 2H Well**, which will be drilled horizontally from the NW/4 NW/4 (Unit D) of Section 27 to a non-standard bottomhole location in the SW/4 NW/4 (Unit E) of Section 34. The completed interval is unorthodox because it will be closer than 660 feet to the outer boundary. The completed interval for this well will commence 330 feet from the North line and 990 feet from the West line (Unit D) of Section 27 to a location 2,310 feet from the North line, 990 feet from the West line (Unit E) of Section 34. The completed interval therefore encroaches on the spacing and proration units to the North and South. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of BC Operating, Inc., as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 10 miles southwest of Carlsbad, New Mexico.