

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 29, 2016

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

Docket Nos. 40-16 and 41-16 are tentatively set for October 13, 2016 and October 27, 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 15277 - No. 1
Case 15490 - No. 3
Case 15491 - No. 22
Case 15498 - No. 23
Case 15510 - No. 4
Case 15511 - No. 5
Case 15513 - No. 6
Case 15515 - No. 7
Case 15516 - No. 8
Case 15519 - No. 21
Case 15531 - No. 17
Case 15535 - No. 18
Case 15537 - No. 2
Case 15542 - No. 9
Case 15547 - No. 10
Case 15548 - No. 11
Case 15549 - No. 12
Case 15550 - No. 13
Case 15551 - No. 14
Case 15552 - No. 15
Case 15553 - No. 16
Case 15554 - No. 19
Case 15555 - No. 20

1. Case No. 15277 (re-opened): (Continued from the September 15, 2016 Examiner Hearing.)

Application of Blue Sky Company, Inc. to reopen Case No. 15277 to ask for an extension of the deadlines in compliance Order No. R-14155 dated April 25, 2016, Chaves County, New Mexico. The purpose of the extension is such that Blue Sky can present a successor operator who can provide additional resources for bonding and other compliance issues, as well as other additional resources to re-establish injection authority, which will allow production on the Twin Lakes Unit in Chaves County, New Mexico.

2. Case No. 15537: (Continued from the September 1, 2016 Examiner Hearing.)

Application of COG Operating LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order (i) creating a 240-acre non-standard oil spacing and proration unit (project area) comprised of the E/2 W/2 of Section 8, Township 19 South, Range 32 East and the E/2 SW/4 of Section 5, Township 19 South, Range 32 East, NMPM, in Lea County, and (ii) pooling all mineral interests in the Bone Spring formation underlying this acreage. The project area is to be dedicated to applicant's **King Air 8 Fed Com #3H well**, which will be horizontally drilled from a surface location in Unit C of Section 17, Township 19 South, Range 32 East to a bottom hole location in Unit K of Section 5, Township 19 South, Range 32 East. The completed interval for the well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of COG Operating LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The proposed project area is located approximately 14 miles southeast of Loco Hills, New Mexico.

3. Case No. 15549: (Continued from the September 1, 2016 Examiner Hearing.)

Application of Mewbourne Oil Company for a nonstandard spacing and proration unit, compulsory pooling, and an unorthodox gas well location, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 640-acre non-standard

spacing and proration unit in the Wolfcamp formation underlying the W/2 of Section 22 and the W/2 of Section 27, Township 26 South, Range 27 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit, and approving an unorthodox gas well location. The unit is to be dedicated to the **Owl Draw 27/22 W2NC Fed. Com. Well No. 2H**, a horizontal well with a surface location 170 feet from the south line and 2230 feet from the west line of Section 27, and a terminus 330 feet from the north line and 2310 feet from the west line of Section 22. The beginning and end of the producing interval will be unorthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 13-1/2 miles south-southeast of Black River Village, New Mexico.

4. **Case No. 15510:** (Continued from the September 1, 2016 Examiner Hearing.)

Application of Mewbourne Oil Company for a nonstandard spacing and proration unit, compulsory pooling, and an unorthodox gas well location, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 479.80-acre non-standard spacing and proration unit in the Wolfcamp formation underlying the SE/4 of Section 33, Township 23 South, Range 28 East, NMPM, and Lots 1, 2, S/2 NE/4, and SE/4 (the E/2) of Section 4, Township 24 South, Range 28 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit, and approving an unorthodox gas well location. The unit is to be dedicated to the **Foreigner 33/4 W2JO Fee Com. Well No. 1H**, a horizontal well with a surface location 2450 feet from the south line and 2310 feet from the east line of Section 33, and a terminus 330 feet from the south line and 2310 feet from the east line of Section 4. The producing interval will be unorthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 2 miles northwest of Malaga, New Mexico.

5. **Case No. 15511:** (Continued from the September 1, 2016 Examiner Hearing.)

Application of Mewbourne Oil Company for a nonstandard spacing and proration unit, compulsory pooling, and an unorthodox gas well location, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 480.20-acre non-standard spacing and proration unit in the Wolfcamp formation underlying the SW/4 of Section 33, Township 23 South, Range 28 East, NMPM, and Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) of Section 4, Township 24 South, Range 28 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit, and approving an unorthodox gas well location. The unit is to be dedicated to the **Foreigner 33/4 W2LM Fee Well No. 1H**, a horizontal well with a surface location 2450 feet from the south line and 450 feet from the west line of Section 33, and a terminus 330 feet from the south line and 450 feet from the west line of Section 4. The producing interval will be unorthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 2-1/2 miles northwest of Malaga, New Mexico.

6. **Case No. 15513:** (Continued from the September 1, 2016 Examiner Hearing.)

Application of Mewbourne Oil Company for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 34, Township 23 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 E/2 of Section 34. The unit will be dedicated to the **Yardbirds 34 PA Fee Well No. 1H**, a horizontal well with a surface location 150 feet from the south line and 610 feet from the east line, and a terminus 330 feet from the north line and 500 feet from the east line, of Section 34. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 2-1/2 miles north of Malaga, New Mexico.

7. **Case No. 15515:** (Continued from the September 1, 2016 Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 34, Township 23 South, Range 28 East, NMPM, to form a standard 320-acre gas spacing and proration unit. The unit will be dedicated to the **Yardbirds 34 W2NC Fee Well No. 1H**, a horizontal well with a surface location 150 feet from the south line and 2240 feet from the west line, and a terminus 330 feet from the north line and 2240 feet from the west line, of Section 34. The producing interval will be unorthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 2-1/2 miles north of Malaga, New Mexico.

8. **Case No. 15516:** (Continued from the September 1, 2016 Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section