

DOCKET: EXAMINER HEARING - THURSDAY –FEBRUARY 2, 2017

8:15 A.M.

1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Docket Nos. 6-17 and 7-17 are tentatively set for February 16, 2017 and March 2, 2017. 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 15586 - No. 8**Case 15594 - No. 7**Case 15616 - No. 3**Case 15619 - No. 4**Case 15620- No. 5**Case 15622 - No. 6**Case 15623 - No. 1**Case 15624 - No. 2*

1. Case No. 15623: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against G. P. Sims, the Estate of, for a Well Operated in Lea County, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator G. P. Sims, the Estate of, ("Operator") is out of compliance with 19.15.5.9, 19.15.8, and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9, 19.15.8, and 19.15.25.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division Order for each day after the deadline established in the sought order to obtain compliance, declaring the well abandoned, and authorizing the OCD to plug the violating well in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

2. Case No. 15624: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against David H. Arrington, for Wells Operated in Lea, Eddy, Chaves, and San Juan County, New Mexico. The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator David Arrington Oil & Gas, Inc. ("Operator") is out of compliance with 19.15.5.9, 19.15.8, and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9, 19.15.8, and 19.15.25.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division Order for each day after the deadline established in the sought order to obtain compliance, declaring the wells abandoned, and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

3. Case No. 15616: (Continued from the January 19, 2017 Examiner Hearing.) *Application of OXY USA Inc. for Approval of a Pressure Maintenance Project, Eddy County, New Mexico.* Applicant in the above-styled cause seeks an order approving a pressure maintenance pilot project for injection of produced gas and produced water through two horizontal wells into the Second Bone Spring in a project area comprised of Section 16, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Produced water and produced gas will be injected into the Second Bone Spring formation (Pierce Crossing, Bone Spring, East Pool (96473) and Corral Draw Bone Spring Pool (96238)) through the Cedar Canyon 16 State No. 7H and the Cedar Canyon 16 State No. 12H in a proposed project area comprised of Section 16, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. The surface hole location for the Cedar Canyon 16 State No. 7H (API No. 30-015-41251) is 2,485 feet from the North line, 330 feet from the West (Unit E) of Section 15 and the bottom hole location is 1,980 feet from the North line, 330 feet from the West line (Unit E) of Section 16. The Cedar Canyon 16 State No. 7H is currently