

DOCKET: EXAMINER HEARING - THURSDAY - APRIL 27, 2017

8:15 a.m. - 1220 South St. Francis, Santa Fe, New Mexico 87505

Docket Nos. 17-17 and 18-17 are tentatively set for May 11, 2017 and May 25, 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 15600 - No. 21
Case 15601 - No. 22
Case 15602 - No. 23
Case 15628 - No. 18
Case 15629 - No. 19
Case 15630 - No. 20
Case 15646 - No. 7
Case 15651 - No. 8
Case 15658 - No. 5
Case 15668 - No. 16
Case 15669 - No. 17
Case 15671 - No. 14
Case 15674 - No. 15
Case 15676 - No. 2
Case 15678 - No. 1
Case 15679 - No. 3
Case 15680 - No. 4
Case 15681 - No. 6
Case 15682 - No. 9
Case 15683 - No. 10
Case 15684 - No. 11
Case 15685 - No. 12
Case 15686 - No. 13

1. **Case No. 15678:** *Application of Lime Rock Resources II-A, L.P. for compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order pooling all uncommitted mineral interests in the Yeso formation in the NW/4 NW/4 of Section 12, Township 18 South, Range 26 East, NMPM, in Eddy County. Applicant will dedicate the acreage to its **Higgins Cahoon 12D #3 well**, which will be vertically drilled in Unit D of Section 12, Township 18 South, Range 26 East. The well will be completed 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 Lime Rock Resources II-A, L.P. as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well will be located approximately ten (10) miles southeast of Artesia, New Mexico.

2. **Case No. 15676:** *(Continued from the April 13, 2017 Examiner Hearing.)*
Application Of Dakota Resources, Inc. To Reinstate The Injection Authorized By Order SWD-802, Eddy County, New Mexico. Applicant seeks an order re-approving injection authority pursuant to Administrative Order SWD-802 issued in 2001. Order SWD-802 authorized the disposal of produced water into the Bell Canyon member of the Delaware formation from approximately 2,926 feet to 3,315 feet through the **Trigg Federal Well No. 1** (API No. 30-015-25006), located in the NW/4 SW/4 (Unit L) of Section 7, Township 21 South, Range 28 East, in Eddy County, New Mexico. That authority expired on July 15, 2016, due to inactivity associated with remediation efforts at the well site, which are now completed. This area is located 9 miles northeast of Carlsbad, New Mexico.

3. **Case No. 15679:** *Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Applicant in the above-styled cause seeks an order (1) creating a 446.4-acre, more or less, spacing and proration unit comprised of the W/2 of Section 29 and the N/2 NW/4 and Lot 1 and Lot 2 of irregular Section 32, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp Formation. Said non-standard unit is to be dedicated to applicant's proposed **Sidewinder Federal Com No. 4H Well**,

which will be horizontally drilled from a surface location in the SW/4 SW/4 (Lot 1) of irregular Section 32 to a standard bottomhole location in the NW/4 NW/4 (Unit D) of Section 29 The completed interval for this well will remain within the 330 foot standard offset required by the Special Rules for the Purple Sage Wolfcamp Gas Pool in Division Order No R 14262 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well Said area is located approximately 13 5 miles SE of Malaga New Mexico

4 Case No 15680 Application of COG Operating LLC for a non standard spacing and proration unit and compulsory pooling Lea County New Mexico Applicant in the above styled cause seeks an order (1) creating a 320 acre more or less spacing and proration unit comprised of the E/2 E/2 of Section 6 and the E/2 E/2 of Section 7 Township 25 South Range 35 East NMPM Lea County New Mexico and (2) pooling all uncommitted interests in the WC 025 G 09 S243532M Wolfbone Pool (Pool Code 98098) underlying this acreage Said non standard unit is to be dedicated to applicant s two proposed wells the proposed **Stove Pipe Federal Com No 1H Well** and the proposed **Stove Pipe Federal Com No 21H Well** which will be simultaneously drilled and completed in the Wolfbone pool These two stacked horizontal wells will be pad drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 6 to a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 7 The completed interval for each well will remain within the 330 foot standard offset required by the rules 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well Said area is located approximately 12 miles northwest of Jal New Mexico

13 Case No 15658 (Continued from the March 30 2017 Examiner Hearing)
Application of NM&O Operating Company for compulsory pooling Rio Arriba County New Mexico Applicant seeks an order pooling all mineral interests in the Mesaverde formation (Blanco Mesaverde Gas Pool) underlying the S/2 of Section 35 Township 25 North Range 2 West NMPM to form a standard 320 acre gas spacing and proration unit The unit is dedicated to the **Hawk Well No 3** located at an orthodox location in the NW/4 SE/4 of Section 35 Also to be considered will be the designation of applicant as operator of the well The unit is located approximately 2 1/2 miles north of Lindrith New Mexico

6 Case No 15681 Application of Mewbourne Oil Company for a non standard project area and an unorthodox gas well location Eddy County New Mexico Mewbourne Oil Company seeks an order approving a non standard 1280 acre horizontal well project area in the Wolfcamp formation comprised of all of Sections 17 and 20 Township 21 South Range 25 East NMPM Applicant further requests approval of an unorthodox gas well location (Wildcat Wolfcamp Gas Pool) for the proposed **Rio Bravo 17/20 W2AP Fed Com Well No 1H** with a surface location in the NE/4 NE/4 of Section 17 and a bottomhole location in the SE/4SE/4 of Section 20 The first and last take points will be unorthodox The project area is located approximately 7 1/2 miles south of Seven Rivers New Mexico

7 Case No 15646 (Continued from the April 13 2017 Examiner Hearing)
Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Cano Petro of New Mexico Inc for Wells Operated in Chaves 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 Cano Petro of New Mexico Inc (Operator) is out of compliance with 19 15 8 NMAC and NMSA 1978 §§ 70 2 12(B)(1) and 70 2 14 (2) requiring Operator to return to compliance with 19 15 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 acceptable financial assurance

8 Case No 15651 (Continued from the April 13 2017 Examiner Hearing)
Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against M E W Enterprise for a Well Operated in Chaves 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 M E W Enterprise (Operator) is out of compliance with 19 15 8 NMAC and NMSA 1978 §§ 70 2 12(B)(1) and 70 2 14 (2) requiring Operator to return to compliance with 19 15 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 acceptable financial assurance

9 Case No 15682 Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Minel Inc for Wells Operated in Rio Arriba 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 Minel Inc (Operator) is out of compliance with 19 15 8 NMAC and NMSA 1978 § 70 2 14 (2) requiring Operator to return to compliance with 19 15 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 acceptable financial assurance