

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 22, 2017

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

Docket Nos. 23-17 and 24-17 are tentatively set for July 6, 2017 and July 20, 2017. Applications for hearing must be filed at least thirty (30) days in advance of the 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 15655 - No. 24
Case 15656 - No. 25
Case 15658 - No. 8
Case 15659 - No. 26
Case 15660 - No. 27
Case 15671 - No. 23
Case 15695 - No. 19
Case 15696 - No. 20
Case 15700 - No. 4
Case 15704 - No. 21
Case 15710 - No. 6
Case 15711 - No. 3
Case 15717 - No. 13
Case 15721 - No. 1
Case 15723 - No. 22
Case 15725 - No. 18
Case 15727 - No. 2
Case 15728 - No. 5
Case 15729 - No. 7
Case 15730 - No. 9
Case 15731 - No. 10
Case 15732 - No. 11
Case 15733 - No. 12
Case 15734 - No. 14
Case 15735 - No. 15
Case 15736 - No. 16
Case 15737 - No. 17

1. Case No. 15721: (Continued from the June 8, 2017 Examiner Hearing.)

Application of Matador Production Company 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 non-standard, 160-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico and (2) pooling all uncommitted mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Airstrip 31-18S-35E RN State Com #132H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 31. The completed interval for this 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 Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles southwest of Lovington, NM.

2. Case No. 15727: ***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) non-standard 320.02-acre, more or less, spacing and proration unit in the Bone Spring formation comprised of the W/2 W/2 of Section 1 and the W/2 W/2 of Section 12, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Tenderloin Federal Com No. 4H Well**, a 2-mile horizontal well which will be drilled from a surface location in the SW/4 SW/4

(Unit M) of Section 12 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 1 The completed interval for this well will remain within the 330 foot standard offset required the Statewide rules for oil wells 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 22 miles west of Eunice New Mexico

3 **Case No 15711** (Continued from the June 8 2017 Examiner Hearing)

Application of Cumarex Energy Co for a Non Standard Oil Spacing and Proration Unit and Compulsory Pooling Lea County New Mexico Applicant seeks an order approving a non standard oil spacing and proration unit comprised of the W/2 W/2 of Section 32 Township 16 South Range 34 East and the W/2 W/2 of Section 5 Township 17 South Range 34 East NMPM Lea County New Mexico pooling all mineral interests in the Upper Pennsylvanian formation (Cisco/Canyon) underlying the non standard unit The unit will be dedicated to Applicant's proposed State LF 32 5 2H well to be drilled 330 feet from the north line and 715 feet from the west line of Section 32 Township 16 South Range 34 East to a bottomhole location 330 feet from the south line and 480 feet from the west line of Section 5 Township 17 South Range 34 East Also to be considered will be the cost of drilling and completing the well and the allocation of the cost the designation of Applicant and Operator of the well and a 200% charge for the risk involved in drilling and completing the well The well and lands are located approximately six miles southwest of Lovington New Mexico

4 **Case No 15700** (Continued from the June 8 2017 Examiner Hearing)

Application of Caza Petroleum LLC for a non standard oil spacing and proration unit and compulsory pooling Lea County New Mexico Caza Petroleum LLC seeks an order approving a non standard 281 10 acre spacing and proration unit in the Bone Spring formation comprised of Lot 4 SW/4 NW/4 and W/2 SW/4 (the W/2 W/2) of Section 5 and the W/2 NW/4 and NW/4 SW/4 of Section 8 Township 20 South Range 35 East NMPM Lea County New Mexico and pooling all mineral interests in the Bone Spring formation underlying the non standard unit The non standard unit is to be dedicated to applicant's **Eagleclaw 5 Fed Well No 1H** to be horizontally drilled from a surface location in Lot 4 of Section 5 to a bottom hole location in the NW/4 SW/4 of Section 8 The producing interval will be orthodox 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 Caza Operating LLC as operator of the well and a 200% charge for risk involved in drilling the well The unit is located approximately 13 miles west southwest of Monument New Mexico

5 **Case No 15728** **Application of Mewbourne Oil Company for a non standard gas spacing and proration unit and compulsory pooling Eddy County New Mexico** Mewbourne Oil Company seeks an order approving a 640 acre non standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 of Section 2 and the E/2 of Section 11 Township 25 South Range 28 East NMPM Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non standard unit The unit will be dedicated to the **Hoss 2/11 W2BO Fed Com Well No 1H** a horizontal well with a surface location 185 feet from the north line and 1700 feet from the east line of Section 2 and a terminus 330 feet from the south line and 1650 feet from the east line of Section 11 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 4 1/2 miles south southeast of Malaga New Mexico

6 **Case No 15710** (Continued from the June 8 2017 Examiner Hearing)

Application of Matador Production Company for compulsory pooling Eddy County New Mexico Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 10 Township 24 South Range 28 East NMPM to form a standard 320 acre gas spacing and proration unit The unit will be dedicated to the Tom Matthews 10 24S 28E RB Well No 223H The well is a horizontal well with a surface location in the SE/4 SE/4 of adjoining Section 9 The first perforation will be 1657 feet from the south line and 330 feet from the west line and the last perforation will be 1657 feet from the south line and 330 feet from east line of Section 10 The producing interval of the well will be orthodox 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 3 5 miles southeast of Loving New Mexico

7 **Case No 15729** **Application of Mewbourne Oil Company for a non standard oil spacing and proration unit and compulsory pooling Eddy County New Mexico** Mewbourne Oil Company seeks an order approving a 320 acre non standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 E/2 of Section 2 and the W/2 E/2 of Section 11 Township 25 South Range 28 East NMPM Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non standard unit The unit will be dedicated to the **Hoss 2/11 B2BO Fed Com Well No 2H** a horizontal well with a surface location 185 feet from the north line and 1650 feet from the east line of Section 2 and a terminus 330 feet from the south line and 1650 feet from the east line of Section 11 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 4 1/2 miles south southeast of Malaga New Mexico