

DOCKET: EXAMINER HEARING - THURSDAY – SEPTEMBER 14, 2017

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

Docket Nos. 34-17 and 35-17 are tentatively set for September 28, 2017 and October 12, 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 15185 - No. 29
Case 15414 - No. 4
Case 15673 - No. 10
Case 15689 - No. 11
Case 15755 - No. 18
Case 15758 - No. 25
Case 15759 - No. 26
Case 15773 - No. 16
Case 15774 - No. 17
Case 15775 - No. 6
Case 15776 - No. 19
Case 15777 - No. 20
Case 15778 - No. 21
Case 15779 - No. 22
Case 15780 - No. 23
Case 15788 - No. 30
Case 15781 - No. 24
Case 15791 - No. 1
Case 15792 - No. 27
Case 15793 - No. 28
Case 15800 - No. 31
Case 15807 - No. 7
Case 15808 - No. 8
Case 15809 - No. 9
Case 15818 - No. 2
Case 15819 - No. 3
Case 15820 - No. 5
Case 15821 - No. 12
Case 15822 - No. 13
Case 15823 - No. 14
Case 15824 - No. 15
Case 15825 - No. 32
Case 15826 - No. 33

1. Case No. 15791: (Continued from the August 31, 2017, Examiner Hearing.)

Application of Rockcliff Operating New Mexico LLC for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks an order approving disposal of produced water into the Atoka formation at depths of 11750-11879 feet subsurface in the existing South Culebra Bluff Unit Well No. 1, located 1980 feet from the north line and 1650 feet from the east line of Section 23, Township 23 South, Range 28 East, NMPM. The well is located approximately 3 miles east-northeast of Loving, New Mexico.

2. Case No. 15818: ***Application of Devon Energy Production Company, L.P. for a Non-Standard Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico.*** Applicant seeks an order approving a non-standard 240-acre oil spacing and proration unit comprised of the W/2 NW/4 of Section 4, Township 23 South, Range 34 East and the W/2 W/2 of Section 33, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation, Grama Ridge Bone Spring Pool (28430), underlying the non-standard unit. The unit will be dedicated to three

wells to be drilled by Applicant as follow: (1) the **Rio Blanco 4-33 Fed Com 3H** from a surface hole location of 2630' FNL & 400' FWL Section 4-T23S-R34E with an estimated bottom hole location of 330' FNL & 350' FWL Section 33-T22S-R34E to test the 2nd Bone Spring Sand between the approximate vertical depths of 10,262' and 10,305'. The well is planned to be drilled to an approximate total measured depth of 18,100'; (2) the **Rio Blanco 4-33 Fed Com 2H** from a surface hole location of 2630' FNL 350' FWL Section 4-T23S-R34E with an estimated bottom hole location of 330' FNL & 350' FWL Section 33-T22S-R34E to test the 1st Bone Spring Sand between the approximate vertical depths of 9,857' and 9,933'. The well is planned to be drilled to an approximate total measured depth of 17,700'; and (3) the **Rio Blanco 4-33 Fed Com 1H** from a surface hole location of 2630' FNL & 300' FWL Section 4-T23S-R34E with an estimated bottom hole location of 330' FNL & 350' FWL Section 33-T22S-R34E to test the Leonard A interval between the approximate vertical depths of 8,767' and 8,837'. The well is planned to be drilled to an approximate total measured depth of 16,500'. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant and Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. Applicant also seeks to abolish the depth bracket allowable limitations for the wells. The wells and lands are located approximately one-half mile north of the intersection of Aquila Lane and Delaware Basin Road.

3. **Case No. 15819: Application of Cimarex Energy Co. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 640-acre, more or less, spacing and proration unit in the Wolfcamp formation comprised of the E/2 of Sections 23 and 26, Township 15 South, Range 26 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Wigeon 23 Federal Com 4H well**, to be horizontally drilled. The producing area for this well will be 330 feet from the project area boundary. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles south of Carlsbad, New Mexico.

4. **Case No. 15414 (re-opened): Application of RKI Exploration and Production, LLC to Re-Open Case No. 15414 To Pool The Interests Of Record Title Owners Under The Terms Of Compulsory Pooling Order R-14104, Eddy County, New Mexico.** Applicant in the above-styled cause seeks to amend Division Order R-14104 to include the pooling of record title owners in the Wolfcamp formation underlying the W/2 W/2 of Section 28 and NW/4 NW/4 and Lot 4 of Irregular Section 33, Township 26 South, Range 30 East, NMPM, in Eddy County, New Mexico. Said unit is dedicated to the **RDX Federal Com 28 No. 9H Well** and is located 10.5 miles southwest of Ross Place, New Mexico.

5. **Case No. 15820: 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 non-standard 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 9 and the E/2 W/2 of Section 16, Township 21 South, Range 33 East, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Boone 16 State Com No. 3H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 21 to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 9. The completed interval for this well will remain within the 330-foot offset as required by 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 25 miles northwest of Eunice, New Mexico.

6. **Case No. 15775: (Continued from the August 31, 2017 Examiner Hearing.)**
Application of OXY USA WTP Limited Partnership 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 323.00-acre spacing and proration unit comprised of the N/2 N/2 of Section 3 and the N/2 N/2 of Section 4, Township 19 South, Range 29 East, NMPM, Eddy 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 **Turkey Track 4-3 State Com No. 21H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 4 to a standard bottom hole location in NE/4 NE/4 (Lot 1) of Section 3. The completed interval for this 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 said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA WTP Limited Partnership as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles north of Malaga, N.M.

7. **Case No. 15807: (Continued from the August 31, 2017 Examiner Hearing.)**
Application of OXY USA WTP Limited Partnership 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 320-acre, more or less, non-standard spacing and proration unit comprised of the N/2 S/2 of Section 3 and the N/2 S/2 of Section 4, Township 19 South, Range 29 East, NMPM, Eddy 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 Turkey Track 4-3 State