

**NOTICE OF HEARING**

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
SANTA FE, NEW MEXICO**

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **April 13, 2017**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis Drive, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **April 3, 2017**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed. 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.

**STATE OF NEW MEXICO TO:  
All named parties and persons  
having any right, title, interest  
or claim in the following cases  
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

***Case No. 15670: Application of Steward Energy II, 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 SW/4 of Section 3 and the E/2 W/2 of Section 10, Township 14 South, Range 38 East, NMPM, in Lea County, and (ii) pooling all mineral interests in the San Andres formation underlying this acreage. The project area is to be dedicated to applicant's **Pollo Hermanos State #5H well**, which will be horizontally drilled from a surface location in Unit N of Section 10, Township 14 South, Range 38 East to a bottom hole location in Unit K of Section 3, Township 14 South, Range 38 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Steward Energy II, 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 16.5 miles northwest of Tatum, New Mexico.

***Case No. 15671: Application of Smith and Marrs Inc., for approval of lease pressure maintenance project, in Eddy County, New Mexico.*** Applicant seeks approval to institute a lease pressure maintenance project in its **Superior State Well #1**, located 1980' FNL and 660' FEL, Unit H, Section 8, Township 25 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. Applicant intends to inject produced water into the Delaware Sand formation at depths of 3736-3776 feet (perforated). The well is located approximately 10 miles south east of Malaga, New Mexico.

***Case No. 15639: Amended 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 160-acre, more or less, non-standard spacing and proration unit comprised of the W/2 E/2 of Section 29, Township 25 South, Range 27 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 **Populus Federal #2H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 29 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 29. The completed interval for this well will remain within the 330-foot standard set back required by Division 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 the well. Said area is located approximately 14 miles southwest of Loving, New Mexico.

***Case No. 15640: Amended 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 160-acre, more or less, non-standard spacing and proration unit comprised of the W/2 W/2 of Section 29, Township 25 South, Range 27 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 **Populus Federal #4H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 29 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 29. The completed interval for this well will remain within the 330-foot standard set back required by Division 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 the well. Said area is located approximately 14 miles southwest of Loving, New Mexico.

***Case No. 15672: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying Lots 1-4 and the E/2 W/2 (the W/2 equivalent) of Section 18, Township 23 South, Range 27 East, NMPM, to form a 315.12 acre well unit. The unit is to be dedicated to the **Slider 18 W2MD Fed. Com. Well No. 1H**, a horizontal well with a surface location in Lot 4, and a terminus in Lot 1, of Section 18. 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 8 miles south of Carlsbad, New Mexico.

***Case No. 15673: Application of Mewbourne Oil Company for a nonstandard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 480 acre non-standard spacing and proration unit in the Wolfcamp formation underlying the E/2 of Section 12 and the SE/4 of Section 1, Township 25 South, Range 27 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Devon 12/1 W2PI Fee Com. Well No. 1H**, a horizontal well with a surface location in the NE/4 NE/4 of adjoining Section 13, and a terminus in the NE/4 SE/4, of Section 1. 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 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 7 miles southwest of Malaga, New Mexico.

***Case No. 15674: Application of Mewbourne Oil Company for a nonstandard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 478.39 acre non-standard spacing and proration unit in the Wolfcamp formation underlying Lots 3-7, SE/4 NW/4, and E/2 SW/4 (the E/2) of Section 6 and Lots 1, 2, and E/2 NW/4 (the NW/4) of Section 7, Township 24 South, Range 28 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Motley 6/7 W2DE Fee Com. Well No. 1H**, a horizontal well with a surface location in Lot 4 of Section 6, and a terminus in

Lot 2 of Section 7. 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 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 miles west-northwest of Malaga, New Mexico.

***Case No. 15675: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 27, Township 24 South, Range 28 East, NMPM, to form a 320 acre well unit. The unit is to be dedicated to the **Rock Spur State Com. Well No. 1H**, a horizontal well with a surface location in the NE/4 NW/4, and a terminus in the SE/4 SW/4, of Section 27. 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 south of Malaga, New Mexico.

***Case No. 15676: 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.

***Case No. 15677: Application Of Chevron USA Inc. For Approval Of The Polvadera Unit, Lea County, New Mexico.*** Applicant seeks approval of its Polvadera Unit consisting of approximately 1,920.00 acres of the following Federal lands situated in Lea County, New Mexico:

**TOWNSHIP 26 SOUTH, RANGE 32 EAST, N.M.P.M.**

Section 14: All

Section 15: All

Section 23: All

The unitized interval is the stratigraphic equivalent of the top of the Bone Spring Formation encountered at a true vertical depth of 8,800 feet down to the stratigraphic equivalent of the base of the Bone Spring formation at a true vertical depth of 11,950 feet as encountered in the **Salado Draw SWD 13-1 Well** (API #30-025-42354), Section 13, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico. The subject acreage is located approximately 33 miles west of Jal, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 15th day of March, 2017.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

**David R. Catanach  
Director, Oil Conservation Division**

**S E A L**