

DOCKET: SPECIAL EXAMINER HEARING – TUESDAY - DECEMBER 4, 2018

9:00 a.m. - 1220 South St. Francis, Santa Fe, New Mexico 87505

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 four business days 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 four days 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.

1. Case No. 16469: (Continued from the November 1, 2018 Examiner Hearing.)

Application of McElvain Energy Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest in the Bone Spring formation (E-K Bone Spring Pool (Pool Code 21650)) in the 240-acre, more or less, horizontal spacing unit comprised of the W/2 NW/4 of Section 6, Township 19 South, Range 34 East, and the W/2 W/2 of Section 31, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. The horizontal spacing unit will be dedicated to McElvain's proposed **EK 31 BS2 Federal Com No. 4H Well**, which will be drilled horizontally from a surface location in the NW/4 NW/4 (Lot 1) of Section 31, Township 18 South to a bottom hole location in the SW/4 NW/4 (Lot 5) of Section 6, Township 19 South. The completed interval for this well will be at an orthodox location. 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 McElvain Energy, Inc. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 27 miles west of Hobbs, New Mexico.

2. Case No. 20102: Amended Application of Cimarex Energy Co. for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and (2) pooling all mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 W/2 of Section 7 and the SW/4 SW/4 of Section 6, Township 19 South Range 34 East, NMPM, Lea County, New Mexico. This horizontal spacing unit will be dedicated to the **Pipeline 7-6 Federal Com 1H** well, to be horizontally drilled with a producing area at an orthodox location. 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 27 miles west of Hobbs, New Mexico.