

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 **March 16, 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 **March 6, 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. 15639: 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 2nd Bone Spring Sand 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: 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 2nd Bone Spring Sand 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 an unorthodox surface location in the NW/4 NW/4 (Unit D) of Section 29 to an unorthodox 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. 15641: 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 N/2 of Section 11, Township 23 South, Range 27 East, NMPM, to form a standard 320-acre gas spacing and proration unit. The unit will be dedicated to the **Michael Collins 11-23S-27E RB Well No. 206H**. The well is a horizontal well, with a surface location in the NE/4 SE/4 of Section 11. The first perforation is 2308 feet from the north line and 330 feet from the east line, and the last perforation is 2281 feet from the north line and 330 feet from the west 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 2 miles south-southeast of Otis, New Mexico.

Case No. 15642: 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 11, Township 23 South, Range 27 East, NMPM, to form a standard 320-acre gas spacing and proration unit. The unit will be dedicated to the **Michael Collins 11-23S-27E RB Well No. 208H**. The well is a horizontal well, with a surface location in the SE/4 SE/4 of Section 11. The first perforation is 330 feet from the south and east lines, and last perforation is 330 feet from the south and west lines, 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 2-1/2 miles south-southeast of Otis, New Mexico.

Case No. 15643: Application of COG Operating LLC for a non-standard spacing and proration unit and/or unorthodox location, Eddy 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 in the Bone Spring formation, comprised of the E/2 of Section 36, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico; and/or (2) approving an unorthodox location for the Bultaco State No. 3H Well. The non-standard spacing unit will be dedicated to the **Bultaco State No. 1H Well, the Bultaco State No. 2H Well, and the Bultaco State No. 3H Well**. The first perforation for the Bultaco State No. 3H Well is located approximately 330 feet from the South line and 1,295 feet from the East line (Unit P). The last perforation is located 100 feet from the North line and 1,295 feet from the East line (Unit A). For this reason, the producing interval is encroaching on the spacing and proration units to the North, Northwest, West, and Southwest of the subject well. Said area is located approximately 22 miles northeast of Malaga, New Mexico.

Case No. 15644: Application Of WPX Energy Production, LLC For An Exception to NMAC 19.15.34.13(C), Rio Arriba County, New Mexico. Applicant seeks an order (1) granting an exception to NMAC 19.15.34.13(C); and (2) permitting an extension of the Division District Office's determination of cessation of operations for an additional six months for its Recycling Facility and Recycling Containment ("Facility") located in Section 30, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. The subject acreage is located approximately 33 miles east of Aztec, New Mexico.

Case No. 15645: Application Of WPX Energy Production, LLC For Approval Of The South Escavada Unit And For Allowance Of 330 Foot Setbacks From The Exterior Of The Proposed Unit, Sandoval County, New Mexico. Applicant seeks approval of its South Escavada Unit consisting of approximately 4,723.82 acres of Federal and Allotted Indian lands situated in all or parts of the Sections 13-15, 22-24, and

26-28, Township 22 North, Range 7 West, and Sections 17-20, Township 22 North, Range 6 West, NMPM, Sandoval County, New Mexico. The unitized interval includes the Mancos formation from the top of the Mancos formation at a measured depth of 3,715 feet down to the stratigraphic equivalent of the top of the Graneros formation at a measured depth of 5,575 feet as encountered on the induction electrical log run on the Sandoval 1-23 Well in Section 23, Township 22 North, Range 7 West, N.M.P.M. (API 30-043-05150), Sandoval County, New Mexico. In addition, Applicant seeks an order allowing for wells to be located anywhere within the proposed Unit Area so long as the completed interval is no closer than 330 feet from the outer boundary of the proposed Unit. The subject acreage is located approximately 4.5 miles southwest of Counselor, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 16th day of February, 2017.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

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

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