

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 **May 11, 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 **May 1, 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. 15687: 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, oil spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Sections 7 and 18, Township 25 South, Range 27 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 **Da Vinci 7-18 Federal Com 6H**, 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 30 miles south of Carlsbad New Mexico.

Case No. 15688: Application of Cimarex Energy Co. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all mineral interests in the Bone Spring formation underlying the 223.47 acre non-standard spacing and proration unit approved by the Division in Administrative Order NSP-2057, which is comprised of the E/2 E/2 of Section 28 and NE/4 NE/4 and Lot 1 of Irregular Section 33, Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing and proration unit will be the project area for the **Klein 33 Federal Com. Well No. IOH 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 17 miles southwest of Malaga New Mexico.

Case No. 15689: 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 SE/4 of Section 23 and the E/2 of Section 24, 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 (a) the **Queen 23/24 W0OP Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SE¹/₄SW¹/₄ of Section 23 and a terminus in the SE¹/₄SE¹/₄ of Section 24, and (b) the **Queen 23/24 W2OP Fed. Com. Well No. 2H**, a horizontal well with a surface location in the SE¹/₄SW¹/₄ of Section 23 and a terminus in the SE¹/₄SE¹/₄ of Section 24. The beginning and end of the producing interval in each well will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 2-1/2 miles southeast of Malaga, New Mexico.

Case No. 15690: Application of OneEnergy Partners 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 160-acre spacing and proration unit in the Wolfcamp Formation comprised of the E/2 W/2 of Section 20, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interest owners within the non-standard spacing and proration unit. Said unit will be the project area for its proposed **Wildhog BWX State Com No. 1H**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottom hole location in SE/4 SW/4 (Unit N) of Section 20. The completed interval for this well will comply with the 330-foot standard setbacks 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 OneEnergy Partners Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 5 miles southwest of Bennett, New Mexico.

Case No. 15691: Application of OneEnergy Partners 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 160-acre spacing and proration unit in the Wolfcamp Formation comprised of the E/2 W/2 of Section 19, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interest owners within the non-standard spacing and proration unit. Said unit will be the project area for its proposed **Prizehog BWZ State Com No. 1H**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottom hole location in SE/4 SW/4 (Unit N) of Section 19. The completed interval for this well will comply with the 330-foot standard setbacks 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 OneEnergy Partners Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles southwest of Bennett, New Mexico.

Case No. 15692: Application of Chevron U.S.A. Inc. for a non-standard spacing and proration unit, compulsory pooling, and approval of an unorthodox location, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre spacing and proration unit comprised of the E/2 E/2 of Section 13 and the E/2 E/2 of Section 24, Township 26 South, Range 32 East, N.M.P.M., Eddy County, New Mexico; (2) pooling all mineral interests in the Bone Spring formation underlying this acreage; and (3) approving an unorthodox location. Said non-standard unit is to be dedicated to applicant's proposed **SD WE 24 Fed P24 No. 6H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 24 to a non-standard bottom hole location in NE/4 NE/4 (Unit A) of Section 13. The completed interval for this well will commence 330 feet from the South line, 1,265 feet from the East line of Section 24 to a location 330 feet from the North line, 1,265 feet from the East line of Section 13, thereby encroaching on the spacing and proration units to the West, Northwest, and Southwest. 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 Chevron U.S.A. Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 35 miles west of Jal, New Mexico.

Case No. 15693: 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 454.63-acre, more or less, spacing and proration unit comprised of the E/2 W/2 and Lot 1, Lot 2, Lot 3, and Lot 4 (forming the W/2 W/2) of irregular Section 30 and the N/E NW/4 and Lot 1, Lot 2, and Lot 3 of irregular Section 31 (forming the W/2 NW/4 and SE/4 NW/4), Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp Formation. Said non-standard unit is to be dedicated to applicant's proposed **Copperhead Fee A No. 4H Well**, which will be horizontally drilled from a surface location in the SE/4 NW/4 (Lot 3) of irregular Section 31 to a standard bottomhole location in the NE/4 NW/4 (Unit C) of Section 30. The completed interval for this well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage-Wolfcamp Gas Pool in Division Order No. R-14262. 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 12.5 miles southeast of Malaga, New Mexico.

Case No. 15694: 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 non-standard 226.34-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 30 and the NW/4 NE/4 and Lot 6 of irregular Section 31, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp Formation. Said non-standard unit is to be dedicated to applicant's proposed **Copperhead 31 Federal Com No. 21H Well**, which will be horizontally drilled from a surface location in the SW/4 NE/4 (Lot 6) of irregular Section 31 to a standard bottomhole location in the NW/4 NE/4 (Unit B) of Section 30. The completed interval for this well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage-Wolfcamp Gas Pool in Division Order No. R-14262. 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 12.5 miles southeast of Malaga, New Mexico.

Case No. 15185 (re-opened): Application of Ard Energy, LLC to reopen Case No. 15185 pursuant to NMAC 19.15.13.13 and the provisions of Orders No. R-13913, as amended, R-13913-B and to (1) determine reasonable lease operating costs and expenses, and revenue netting attributable to the **Ivar The Boneless Federal Well No. 11H** (API 30-025-42514), located in a unit comprised of W/2 W/2 of Section 15, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico (the Unit); (2) to determine reasonable costs of drilling and completion, lease operating costs and expenses, and revenue netting attributable to the Ivar The Boneless Federal Wells Nos. 22H (API 30-025-42998) and 12H (API 30-025-42997), located within the Unit. The wells are located approximately five (5) miles south east of Maljamar, New Mexico.

Case No. 15695: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Norman L & Loretta E Gilbreath, for Wells Operated in Rio Arriba and San Juan Counties, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, ("Bureau") through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD or Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Norman L & Loretta E Gilbreath ("Operator") is out of compliance with 19.15.8 NMAC and NMSA 1978, §70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

Case No. 15696: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Norman L Gilbreath, for Wells Operated in San Juan County, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, ("Bureau") through its undersigned attorney, hereby files this application with the Oil Conservation

Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Norman L Gilbreath (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, §70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

Case No. 15697: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against P-R-O Management, Inc., for Wells Operated in San Juan County, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, (“Bureau”) through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator P-R-O Management, Inc. (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

Case No. 15698: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against RAM Energy, LLC, for Wells Operated in Lea County, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, (“Bureau”) through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator RAM Energy, LLC (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

Case No. 15699: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Elmira T Welch, for a Well Operated in Eddy County, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), hereby files this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Elmira T Welch (“Operator”) is out of compliance with 19.15.5.9, 19.15.8, 19.15.25.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.5.9, 19.15.8, and 19.15.25.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division Order for each day after the deadline established in the sought order to obtain compliance, declaring the well abandoned and authorizing the OCD to plug the violating well in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 12th day of April, 2017.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

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

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