

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 **June 22, 2017**, in Porter Hall, 1st floor, Wendell Chino Building, 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 **June 12, 2017**. Public documents can be provided in various accessible formats. Members of the public may obtain copies of the docket by contacting Ms. Davidson at the phone number indicated above. Also, the docket will be posted on the Oil Conservation Division website at www.emnrd.state.nm.us/OCD/. A party who plans on using projection equipment at a hearing must contact Ms. Davidson seven 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. 15727: 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) non-standard 320.02-acre, more or less, spacing and proration unit in the Bone Spring formation comprised of the W/2 W/2 of Section 1 and the W/2 W/2 of Section 12, Township 22 South, Range 33 East, NMPM, Lea 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 **Tenderloin Federal Com No. 4H Well**, a 2-mile horizontal well which will be drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 12 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 1. The completed interval for this well will remain within the 330-foot standard offset required 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 22 miles west of Eunice New Mexico.

Case No. 15728: Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 640-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 of Section 2 and the E/2 of Section 11, Township 25 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the **Hoss 2/11 W2BO Fed. Com. Well No. 1H**, a horizontal well with a surface location 185 feet from the north line and 1700 feet from the east line of Section 2, and a terminus 330 feet from the south line and 1650 feet from the east 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 4-1/2 miles south-southeast of Malaga, New Mexico.

Case No. 15729: Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 E/2 of Section 2 and the W/2 E/2 of Section 11, Township 25 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to the **Hoss 2/11 B2BO Fed. Com. Well No. 2H**, a horizontal well with a surface location 185 feet from the north line and 1650 feet from the east line of Section 2, and a terminus 330 feet from the south line and 1650 feet from the east 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 4-1/2 miles south-southeast of Malaga, New Mexico.

Case No. 15658 (re-opened): Application of NM&O Operating Company to re-open Case No. 15658 for compulsory pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Mesaverde formation (Blanco-Mesaverde Gas Pool) underlying the S/2 of Section 35, Township 25 North, Range 2 West, NMPM, to form a standard 320 acre gas spacing and proration unit. The unit is dedicated to the **Hawk Well No. 3**, located at an orthodox location in the NE/4SW/4 of Section 35 (1835 feet from the south line and 1690 feet from the west line). Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 2-1/2 miles north of Lindrith, New Mexico.

Case No. 15730: Application of Mewbourne Oil Company for approval of an unorthodox gas well location, Lea County, New Mexico. Mewbourne Oil Company applies for an order approving an unorthodox gas well location in the Wolfcamp formation for the proposed **Salado Draw 10 W1PA Fed. Com. Well No. 2H**, located in Section 10, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico. The well has a surface location in the NE/4 NE/4 of adjoining Section 15, with a first take point 330 feet from the south and east lines of Section 10, and a last take point 330 feet from the north and east lines of Section 10. The well is in the Red Hills-Wolfcamp Gas Pool, which is developed on 640 acre spacing with wells to be located no closer than 660 feet to the outer boundary of a section. All of Section 10 will be dedicated to the well. The well unit is located approximately 20-1/2 miles west of Bennett, New Mexico.

Case No. 15731: Application of Mewbourne Oil Company for approval of an unorthodox gas well location, Lea County, New Mexico. Mewbourne Oil Company applies for an order approving an unorthodox gas well location in the Wolfcamp formation for the proposed **Salado Draw 10 W0PA Fed. Com. Well No. 3H**, located in Section 10, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico. The well has a surface location in the NE/4 NE/4 of adjoining Section 15, with a first take point 330 feet from the south line and 990 feet from the east line of Section 10, and a last take point 330 feet from the north line and 990 feet from the east line of Section 10. The well is in the Red Hills-Wolfcamp Gas Pool, which is developed on 640 acre spacing with wells to be located no closer than 660 feet to the outer boundary of a section. All of Section 10 will be dedicated to the well. The well unit is located approximately 20-1/2 miles west of Bennett, New Mexico.

Case No. 15732: 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 E/2 of Section 27, Township 23 South, Range 28 East, NMPM. The unit will be dedicated to the **Speedwagon 27 W0PA Fee Well No. 1H**, a horizontal well with a surface location in the NE/4 NE/4 of adjoining Section 34, with the first take point 330 feet from the south line and 430 feet from the east line,

and a terminus 330 feet from the north line and 430 feet from the east line, of Section 27. The well's location is 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 1-1/2 miles southeast of Loving, New Mexico.

Case No. 15733: 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 E/2 of Section 27, Township 23 South, Range 28 East, NMPM. The unit will be dedicated to the **Speedwagon 27 W2PA Fee Well No. 1H**, a horizontal well with a surface location in the NE/4 NE/4 of adjoining Section 34, with the first take point 330 feet from the south line and 500 feet from the east line, and a terminus 330 feet from the north line and 500 feet from the east line, of Section 27. The well's location is 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 1-1/2 miles southeast of Loving, New Mexico.

Case No. 15734: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Fulfer Oil & Cattle, L.L.C., 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 Fulfer Oil & Cattle, L.L.C. ("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. 15735: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Jack J. Grynberg, for Wells Operated in Chaves 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 Jack J. Grynberg ("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. 15736: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Mar Oil and Gas Corporation, 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 Mar Oil and Gas Corporation ("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. 15737: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Oasis Water Solutions, 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 Oasis Water Solutions 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.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 24th day of May, 2017.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

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

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