

NOTICE OF HEARINGS

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division (“Division”) hereby gives notice that the Division will hold public hearings before a hearing examiner on the following cases.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely.

The hearings will be conducted on Thursday, August 6, 2020, beginning at 8:15 a.m.

To participate in the hearings, see the instructions posted below.

The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us.

Documents filed in these cases may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>.

If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than July 26, 2020.

Persons may view and participate in the hearings through the following link:

Meeting number: 968 329 152

Password: YQe6KZBe3n6

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mb3ddb90721ccc17207709b8c71dc2ac1>

Join by video system

Dial [968329152@nmemnrd.webex.com](tel:968329152)

You can also dial 173.243.2.68 and enter your meeting number.

Join by phone

+1-408-418-9388 United States Toll

Access code: 968 329 152

Note: All land descriptions refer to the New Mexico Principal Meridian.

1. Case No. 21346: APPLICATION OF ALLAR DEVELOPMENT, LLC TO REOPEN DEVON ENERGY CASE NOS. 21119, 21120, 21121, 21122, and 21123 EDDY COUNTY, NEW MEXICO.

2. Case No. 21347: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Section 36, Township 18 South, Range 34 East, and the E/2 of Section 1, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed Crisscross 183436 1H Well to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 25 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 1. The completed interval for the proposed well will remain within 330 feet of the W/2 E/2 of Sections 36 and 1 to include this offsetting acreage in a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 23 miles West of Hobbs, New Mexico.

3. Case No. 21348: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Section 36, Township 18 South, Range 34 East, and the E/2 of Section 1, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed Crisscross 183436 2H Well to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 25 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 1. The completed interval for the proposed well will remain within 330 feet of the E/2 E/2 of Sections 36 and 1 to include this offsetting acreage in a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 23 miles West of Hobbs, New Mexico.

4. Case No. 21349: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 36, Township 18 South, Range 34 East, and the W/2 of Section 1, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed Crisscross 183436 3H Well to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 25 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 1. The completed interval for the proposed well will remain within 330 feet of the E/2 W/2 of Sections 36 and 1 to include this offsetting acreage in a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles East of Hobbs, New Mexico.

5. Case No. 21350: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 36, Township 18 South, Range 34 East, and the W/2 of Section 1, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed Crisscross 183436 4H Well to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 25 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 1. The completed interval for the proposed well will remain within 330 feet of the E/2 W/2 of Sections 36 and 1 to include this offsetting acreage in a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 23 miles West of Hobbs, New Mexico.

6. Case No. 21351: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 19 and 30, Township 18 South, Range 35 East, Lea County, New Mexico. Said horizontal spacing unit will be initially dedicated to the proposed Rope 183519 1H Well to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 18 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 30. The completed interval for the proposed well will remain within 330 feet of the W/2 E/2 of Sections 19 and 30 to allow inclusion of this offsetting acreage in a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles West of Hobbs, New Mexico.

7. Case No. 21352: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 19 and 30, Township 18 South, Range 35 East, Lea County, New Mexico. Said horizontal spacing unit will be initially dedicated to the proposed Rope 183519 2H Well to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 18 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 30. The completed interval for the proposed well will remain within 330 feet of the W/2 E/2 of Sections 19 and 30 to allow inclusion of this offsetting acreage in a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles West of Hobbs, New Mexico.

8. Case No. 21353: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the SW/4 of Section 33, Township 18 South, Range 35 East, and the W/2 of Section 4, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed Alpha 183533 1H Well to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 33 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 4. The completed interval for the proposed well will remain within 330 feet of the E/2 SW/4 of Section 33 and E/2 W/2 of Section 4 to include this offsetting acreage in a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles West of Hobbs, New Mexico.

9. Case No. 21354: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the SW/4 of Section 33, Township 18 South, Range 35 East, and the W/2 of Section 4, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed Alpha 183533 2H Well to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 33 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 4. The completed interval for the proposed well will remain within 330 feet of the E/2 SW/4 of Section 33 and E/2 W/2 of Section 4 to include this offsetting acreage in a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles West of Hobbs, New Mexico.

10. Case No. 21355: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 20 and 29, Township 18 South, Range 35 East, Lea County, New Mexico. Said horizontal spacing unit will be initially dedicated to the proposed Ball 183529 1H Well to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 32 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 20. The completed interval for the proposed well will remain within 330 feet of the W/2 E/2 of Sections 20 and 29 to allow inclusion of this offsetting acreage in a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 21 miles West of Hobbs, New Mexico.

11. Case No. 21356: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 20 and 29, Township 18 South, Range 35 East, Lea County, New Mexico. Said horizontal spacing unit will be initially dedicated to the proposed Ball 183529 2H Well to be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 32 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 20. The completed interval for the proposed well will remain within 330 feet of the W/2 E/2 of Sections 20 and 29 to allow inclusion of this offsetting acreage in a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 21 miles West of Hobbs, New Mexico.

12. Case No. 21357: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 22 and 27, Township 18 South, Range 35 East, Lea County, New Mexico. Said horizontal spacing unit will be initially dedicated to the proposed Ladder 183527 1H Well to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 22. The completed interval for the proposed well will remain within 330 feet of the E/2 W/2 of Sections 22 and 27 to allow inclusion of this offsetting acreage in a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles West of Hobbs, New Mexico.

13. Case No. 21358: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.

Applicant seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 480-acre, more or less, standard proximity tract horizontal spacing unit comprised of the N/2 of Section 15 and the NW/4 of Section 14, Township 20 South, Range 29 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Ithaca 15/14 W0EF Fed Com #1H well, which will be horizontally drilled from a surface location in Unit E in Section 15 to a bottom hole location in Unit F in Section 14, Township 20 South, Range 29 East in Eddy County. The completed interval for the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of Mewbourne Oil Company as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 10 miles northeast of Carlsbad, New Mexico.

14. Case No. 21359: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.

Applicant seeks an order pooling all uncommitted mineral interests in the Bone Spring formation in a 240-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Section 15 and the N/2 NW/4 of Section 14, Township 20 South, Range 29 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Ithaca 15/14 B3DC Fed Com #1H well, which will be horizontally drilled from a surface location in Unit E in Section 15 to a bottom hole location in Unit C in Section 14, Township 20 South, Range 29 East in Eddy County. The completed interval for the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of Mewbourne Oil Company as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 10 miles northeast of Carlsbad, New Mexico.

15. Case No. 21360: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.

Applicant seeks an order pooling all uncommitted mineral interests in the Bone Spring formation in a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Section 15 and the S/2 NW/4 of Section 14, Township 20 South, Range 29 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Ithaca 15/14 B3EF Fed Com #1H well, which will be horizontally drilled from a surface location in Unit E in Section 15 to a bottom hole location in Unit F in Section 14, Township 20 South, Range 29 East in Eddy County. The completed interval for the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of Mewbourne Oil Company as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 10 miles northeast of Carlsbad, New Mexico.

16. Case No. 21361: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.

Applicant seeks an order pooling all uncommitted mineral interests in the Bone Spring formation in a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Section 33 and the E/2 W/2 of Section 28, Township 20 South, Range 30 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Sidecar 33/28 B3NC Fed Com #1H well, which will be horizontally drilled from a surface location in Lot 1 in Section 4, Township 21 South, Range 29 East to a bottom hole location in Unit C in Section 28, Township 20 South, Range 30 East in Eddy County. The completed interval for the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of Mewbourne Oil Company as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 10 miles northeast of Carlsbad, New Mexico.

17. Case No. 21362: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.

Applicant seeks an order pooling all uncommitted mineral interests in the Bone Spring formation in a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 33 and the W/2 W/2 of Section 28, Township 20 South, Range 30 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Sidecar 33/28 B3MD Fed Com #1H well, which will be horizontally drilled from a surface location in Lot 1 in Section 4, Township 21 South, Range 29 East to a bottom hole location in Unit D in Section 28, Township 20 South, Range 30 East in Eddy County. The completed interval for the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of Mewbourne Oil Company as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 10 miles northeast of Carlsbad, New Mexico.

18. Case No. 21363: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.

Applicant seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Section 33 and the E/2 W/2 of Section 28, Township 20 South, Range 30 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Sidecar 33/28 W0NC Fed Com #1H well, which will be horizontally drilled from a surface location in Lot 1 in Section 4, Township 21 South, Range 29 East to a bottom hole location in Unit C in Section 28, Township 20 South, Range 30 East in Eddy County. The completed interval for the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of Mewbourne Oil Company as the operator of the

well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 10 miles northeast of Carlsbad, New Mexico.

19. Case No. 21364: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.

Applicant seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 33 and the W/2 W/2 of Section 28, Township 20 South, Range 30 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Sidecar 33/28 W0MD Fed Com #1H well, which will be horizontally drilled from a surface location in Lot 1 in Section 4, Township 21 South, Range 29 East to a bottom hole location in Unit D in Section 28, Township 20 South, Range 30 East in Eddy County. The completed interval for the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of Mewbourne Oil Company as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 10 miles northeast of Carlsbad, New Mexico.

20. Case No. 21365: 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 3, 4, S/2NW/4, and SW/4 (the W/2) of Section 2, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to (i) the Skynyrd 2 W0CN Fee Well No. 1H, a horizontal well with a first take point in the NE/4NW/4 and a last take point in the SE/4SW/4 of Section 2; (ii) the Skynyrd 2 W0DM Fee Well No. 1H, a horizontal well with a first take point in the NW/4NW/4 and a last take point in the SW/4SW/4 of Section 2; and (iii) the Skynyrd 2 W0DM Fee Well No. 2H, a horizontal well with a first take point in the NW/4NW/4 and a last take point in the SW/4SW/4 of Section 2. 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 1-1/2 miles north-northeast of Malaga, New Mexico.

21. Case No. 21366: Application of Kaiser-Francis Oil Company for compulsory pooling, Lea County, New Mexico.

Kaiser-Francis Oil Company seeks an order pooling all mineral interests from the top of the First Bone Spring Sand to the base of the Bone Spring formation in a (proximity tract) horizontal spacing unit comprised of Lots 1-4 and the E/2W/2 (the W/2) of Section 31, Township 25 South, Range 33 East, N.M.P.M. and Lots 1-4 and the E/2W/2 (the W/2) of Section 6, Township 26 South, Range 33 East, N.M.P.M. The unit will be dedicated to (i) the Red Hills Well Nos. 701H and 201H, with first take points in Lot 1 of Section 31 and last take points in Lot 4 of Section 6, and (ii) the Red Hills Well Nos. 703H and 203H, with first take points in the NE/4NW/4 of Section 31 and last take points in the SE/SW/4 of Section 6. 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 24 miles west of Bennett, New Mexico.

22. Case No. 21367: Application of Tap Rock Resources, LLC for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Unit Agreement for the Seinfeld Unit Area, comprising 4,043.44 acres of federal and fee lands, described as follows:

Township 24 South, Range 35 East, NMPM
 Section 22: All
 Section 26: All
 Section 27: All
 Section 28: E/2E/2, SW/4NE/4, and W/2SE/4
 Section 33: E/2E/2 and W/2NE/4
 Section 34: All
 Section 35: All
 Township 25 South, Range 35 East, NMPM
 Section 3: Lots 1-4, S/2N/2

The proposed unit area is centered approximately 10-1/2 miles northwest of Jal, New Mexico.

23. Case No. 21368: Application of Steward Energy II, LLC for compulsory pooling, Lea County, New Mexico.

Applicant seeks an order pooling all uncommitted mineral interests in the San Andres formation in a 320 acre, more or less, proximity tract standard horizontal spacing unit comprised of the E/2 of Section 22, Township 13 South, Range 38 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to the Combo Fee #1H well, which will be horizontally drilled from a surface location in Unit P in Section 15, Township 13 South, Range 38 East to a bottom hole location in Unit P in Section 22, Township 13 South, Range 38 East. The completed interval for the well will be orthodox. 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 well location is approximately fifteen (15) miles southeast of Tatum, New Mexico.

24. Case No. 21369: Application of Colgate Operating, LLC for compulsory pooling, Eddy County, New Mexico.

Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 240-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 S/2 of Section 32 and N/2 SE/4 (Units I and J) of Section 31, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Dakota 32 State Fed Com 123H and Dakota 32 State Fed Com 133H wells, to be horizontally drilled. The producing intervals for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 19 miles southeast of Artesia, New Mexico.

25. Case No. 21370: Application of Colgate Operating, LLC for compulsory pooling, Eddy County, New Mexico.

Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 240-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the S/2 S/2 of Section 32 and S/2 SE/4 (Units O and P) of Section 31, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Dakota 32 State Fed Com 124H and Dakota 32 State Fed Com 134H wells, to be horizontally drilled. The producing intervals for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 19 miles southeast of Artesia, New Mexico.

26. Case No. 21371: Application of WPX Energy Permian, LLC, ("WPX") for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico.

Applicant in the above-styled cause seeks an order from the Division: (1) establishing, to the extent necessary, a 640 acre, more or less, standard horizontal spacing and proration unit comprised of the W/2 of Sections 15 and 22, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation (PURPLE SAGE; WOLFCAMP [Pool Code 98220]), a gas field, underlying the unit. Said horizontal spacing unit is to be dedicated to five (5) proposed wells, the French 22-15 Fed Com 411H Well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 15; the French 22-15 Fed Com 421H Well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 15; the French 22-15 Fed Com 412H Well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15; the French 22-15 Fed Com 422H Well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15; the French 22-15 Fed Com 413H Well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15. The completed intervals for the proposed Wells will comply with the setback requirements imposed by the Special Rules for the Purple Sage Gas Pool. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; a time extension for drilling; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 2.5 miles south of Artesia, New Mexico.

27. Case No. 21372: Application of Kaiser-Francis Oil Company for compulsory pooling, Eddy County, New Mexico.

Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit underlying the N/2N/2 of Section 24, Township 23 South, Range 28 East, NMPM and Lot 1, NE/4NW/4, and N/2NE/4 (the N/2N/2) of Section 19, Township 23 South, Range 29 East, NMPM. The unit will be dedicated to the Mosaic Fed. 2419 2BSS Well No. 1H, with a first take point in the NW/4NW/4 of Section 24 and a last take point in the NE/4NE/4 of Section 19. 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 4 miles southwest of Malaga, New Mexico.

28. Case No. 21373: Application of Kaiser-Francis Oil Company for compulsory pooling, Eddy County, New Mexico.

Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit underlying the S/2N/2 of Section 24, Township 23 South, Range 28 East, NMPM and Lot 2, SE/4NW/4, and S/2NE/4 (the S/2N/2) of Section 19, Township 23 South, Range 29 East, NMPM. The unit will be dedicated to the Mosaic Fed. 2419 2BSS Well No. 2H, with a first take point in the SW/4NW/4 of Section 24 and a last take point in the SE/4NE/4 of Section 19. 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 4 miles southwest of Malaga, New Mexico.

29. Case No. 21374: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 9 and the W/2W/2 of Section 16, Township 23 South, Range 28 East, NMPM. The unit will be dedicated to (a) the Jack Sleeper Com. Well No. 111H, and (b) the Jack Sleeper Com. Well No. 121H. The wells have first take points in the NW/4NW/4 of Section 9 and final take points in the SW/4SW/4 of Section 9. 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 Matador Production Company as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is centered approximately 1-1/2 miles North of Loving, New Mexico.

30. Case No. 21375: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool) underlying a horizontal spacing unit comprised of the W/2 of Section 9 and the W/2 of Section 16, Township 23 South, Range 28 East, NMPM. The unit will be dedicated to:

- (a) The Jack Sleeper Com. Well No. 201H, with a first take point in the SW/4SW/4 of Section 16 and a final take point in the NW/4NW/4 of Section 9;
- (b) The Jack Sleeper Com. Well No. 215H, with a first take point in the SW/4SW/4 of Section 16 and a final take point in the NW/4NW/4 of Section 9;
- (c) The Jack Sleeper Com. Well No. 221H, with a first take point in the SW/4SW/4 of Section 16 and a final take point in the NW/4NW/4 of Section 9;
- (d) The Jack Sleeper Com. Well No. 202H, with a first take point in the SE/4SW/4 of Section 16 and a final take point in the NE/4NW/4 of Section 9; and
- (e) The Jack Sleeper Com. Well No. 222H, with a first take point in the SE/4SW/4 of Section 16 and a final take point in the NE/4NW/4 of Section 9.

The W/2 of Section 9 and the W/2 of Section 16 will be dedicated to the wells. 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 Matador Production Company as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is centered approximately 1-1/2 miles North of Loving, New Mexico.

31. Case No. 21376: Application of WPX Energy Permian, LLC to Rescind Division Approval of Applications for Permits to Drill Filed by Tap Rock Resources LLC, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order rescinding the Division approval of ten applications for permits to drill filed by Tap Rock Resources, LLC ("Tap Rock") for the Wolfcamp formation underlying the E/2 of Sections 27 and Lots 5, 6, 11 & 12 (NE/4 equivalent) of Section 34, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. The ten applications for permits to drill involving the following wells: WTG FC 203H, API No. 30-015-47030; WTG FC 204H, API No. 30-015-47031; WTG FC 206H, API No. 30-015-47032; WTG FC 208H, API No. 30-015-47034; WTG FC 213H, API No. 30-015-47036; WTG FC 214H, API No. 30-015-47037; WTG FC 216H, API No. 30-015-47038; WTG FC 218H, API No. 30-015-4704; WTG FC 234H, API No. 30-015-47042; and the WTG FC 244H, API No. 30-015-47043. The subject area is located approximately 4 miles northeast of the intersection of U.S. Highway 285 with the New Mexico-Texas border.

32. Case No. 21377: Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation [WC-025 G-08 S233528D; LWR BONE SPRING (97958)] underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 3, T-24-S, R-35-E and the W/2 W/2 of Section 34, T23S R-35-E, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed Gladiator 3 Fed Com #301H well to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 3 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 34. Also, to be considered will be the cost of drilling and completing the well, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing the well. Said area is located approximately 13 miles northwest of Jal, New Mexico.

33. Case No. 21378: Application of B.C. Operating, Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Bone Spring formation (Winchester; Bone Spring [65010]) in a standard 640-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the N/2 of Section 32 and the N/2 of Section 31, Township 19 South, Range 28 East, NMPM, in Eddy County, New Mexico. Applicant proposes to drill the following wells: Fadeaway Ridge 32-31 SB State

201H well, to be horizontally drilled from an approximate surface hole location 1219' FNL and 332' FEL of Section 32, T19S-R28E, to an approximate bottom hole location 990' FNL and 50' FWL of Section 31, T19S-R28E; Fadeaway Ridge 32-31 SB State 202H well, to be horizontally drilled from an approximate surface hole location 1249' FNL and 330' FEL of Section 32, T19S-R28E, to an approximate bottom hole location 2310' FNL and 50' FWL of Section 31, T19S-R28E; Fadeaway Ridge 32-31 TB State 301H well, to be horizontally drilled from an approximate surface hole location 1596' FNL and 305' FEL of Section 32, T19S-R28E, to an approximate bottom hole location 1000' FNL and 50' FWL of Section 31, T19S-R28E; and Fadeaway Ridge 32-31 TB State 302H well, to be horizontally drilled from an approximate surface hole location 1626' FNL and 303' FEL of Section 32, T19S-R28E, to an approximate bottom hole location 2300' FNL and 50' FWL of Section 31, T19S-R28E. The completed intervals and first and last take points for these wells will meet statewide setback requirements for horizontal wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 14 miles north-northeast of Carlsbad, New Mexico.

34. Case No. 21379: Application of Colgate Operating, LLC for compulsory pooling, Eddy County, New Mexico.

Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 N/2 of Section 35, and the N/2 N/2 of Section 36, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Silver Bar 35 Fed State Com 131H wells, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 15.5 miles northeast of Carlsbad, New Mexico.

35. Case No. 21380: Application of Colgate Operating, LLC for compulsory pooling, Eddy County, New Mexico.

Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the S/2 N/2 of Section 35 and the S/2 N/2 of Section 36, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Silver Bar 35 Fed State Com 132H wells, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 15.5 miles northeast of Carlsbad, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this Wednesday, July 8, 2020

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

**Adrienne Sandoval
Director, Oil Conservation Division**