

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 **October 12, 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 needs 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 **October 2, 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. 15846: Application of NewTex Partners LLC for a non-standard oil spacing and proration unit, Chaves County, New Mexico. Applicant seeks an order creating a 320-acre, more or less, non-standard oil spacing and proration unit (project area) comprised of the W/2 of Section 16, Township 8 South, Range 28 East, NMPM, in Chaves County. The project area is to be dedicated to the **Thunderbolt #5H well**, which will be horizontally drilled from a surface location in Unit D to a bottom hole location in Unit M of Section 16, Township 8 South, Range 28 East. The completed interval for the well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost and the designation of Hadaway Consulting and Engineering, LLC as the operator of the well. The proposed project area is located approximately 30 miles northeast of Roswell, New Mexico.

Case No 15847: Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order (i) creating a 640-acre, more or less, non-standard oil spacing and proration unit (project area) comprised of the S/2 of Section 5 and the S/2 of Section 4, Township 23 South, Range 27 East, in Eddy County, and (ii) pooling all mineral interests in the Wolfcamp formation underlying this acreage. The project area is to be dedicated to the **Wolfman 5/4 W0LI Federal Com #1H well**, which will be horizontally drilled from a surface location in Unit L of Section 5 to a bottom hole location in Unit I of Section 4, Township 23 South, Range 27 East. The completed interval for the well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, 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 proposed project area is located approximately 2.5 miles southeast of Carlsbad, New Mexico.

Case No. 15848: 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: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the W/2 W/2 of Section 7, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring 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 **Lea 7 Federal Com. #1H 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 12 miles southeast of the intersection of Hobbs Highway 180 and County Road 27-A/Marathon Road, located in Lea County, New Mexico.

Case No. 15832: Amended Application of XTO Energy Inc. 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) authorizing a non-standard spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 480-acre non-standard spacing and proration unit comprised of the W/2 of Section 24 and the NW/4 of Section 25, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico; (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's six proposed initial wells:

- The proposed **Remuda North 25 State No. 101H Well**, which will be horizontally drilled from a surface location in the NW/4 SW/4 of Section 25 (Unit L) to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 24;
- The proposed **Remuda North 25 State No. 103H Well**, which will be horizontally drilled from a surface location in the NE/4 SW/4 of Section 25 (Unit K) to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 24;
- The proposed **Remuda North 25 State No. 121H Well**, which will be horizontally drilled from a surface location in the NW/4 SW/4 of Section 25 (Unit L) to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 24;
- The proposed **Remuda North 25 State No. 122H Well**, which will be horizontally drilled from a surface location in the NW/4 SW/4 of Section 25 (Unit L) to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 24;
- The proposed **Remuda North 25 State No. 123H Well**, which will be horizontally drilled from a surface location in the NE/4 SW/4 of Section 25 (Unit K) to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 24;
- The proposed **Remuda North 25 State No. 124H Well**, which will be horizontally drilled from a surface location in the NE/4 SW/4 of Section 25 (Unit K) to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 24.

The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of each well and a 200% charge for risk involved in drilling said well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

Case No. 15833: Amended Application of XTO Energy Inc. 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) authorizing a non-standard spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 480-acre non-standard spacing and proration unit comprised of the SW/4 of Section 25 and the W/2 of Section 36, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico; (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's six proposed initial wells:

- The proposed **Remuda South 25 State No. 101H Well**, which will be horizontally drilled from a surface location in the SW/4 NW/4 of Section 25 (Unit E) to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 36;
- The proposed **Remuda South 25 State No. 103H Well**, which will be horizontally drilled from a surface location in the SE/4 NW/4 of Section 25 (Unit F) to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 36;
- The proposed **Remuda South 25 State No. 121H Well**, which will be horizontally drilled from a surface location in the SW/4 NW/4 of Section 25 (Unit E) to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 36;
- The proposed **Remuda South 25 State No. 122H Well**, which will be horizontally drilled from a surface location in the SW/4 NW/4 of Section 25 (Unit E) to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 36;
- The proposed **Remuda South 25 State No. 123H Well**, which will be horizontally drilled from a surface location in the SE/4 NW/4 of Section 25 (Unit F) to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 36;
- The proposed **Remuda South 25 State No. 124H Well**, which will be horizontally drilled from a surface location in the SE/4 NW/4 of Section 25 (Unit F) to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 36.

The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

Case No. 15834: Amended Application of XTO Energy Inc. 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) authorizing a non-standard spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 480-acre non-standard spacing and proration unit comprised of the E/2 of Section 24 and the NE/4 of Section 25, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico; (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's six proposed initial wells:

- The proposed **Remuda North 25 State No. 105H Well**, which will be horizontally drilled from a surface location in the NW/4 SE/4 of Section 25 (Unit J) to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 24;
- The proposed **Remuda North 25 State No. 107H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 of Section 25 (Unit I) to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 24;
- The proposed **Remuda North 25 State No. 125H Well**, which will be horizontally drilled from a surface location in the NW/4 SE/4 of

- Section 25 (Unit J) to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 24;
- The proposed **Remuda North 25 State No. 126H Well**, which will be horizontally drilled from a surface location in the NW/4 SE/4 of Section 25 (Unit J) to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 24;
 - The proposed **Remuda North 25 State No. 127H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 of Section 25 (Unit I) to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 24;
 - The proposed **Remuda North 25 State No. 128H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 of Section 25 (Unit I) to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 24.

The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the well and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

Case No.15835: Amended Application of XTO Energy Inc. 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) authorizing a non-standard spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 480-acre non-standard spacing and proration unit comprised of the SE/4 of Section 25 and the E/2 of Section 36, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico; (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's six proposed initial wells:

- The proposed **Remuda South 25 State No. 105H Well**, which will be horizontally drilled from a surface location in the SW/4 NE/4 of Section 25 (Unit G) to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 36;
- The proposed **Remuda South 25 State No. 107H Well**, which will be horizontally drilled from a surface location in the SE/4 NE/4 of Section 25 (Unit H) to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 36;
- The proposed **Remuda South 25 State No. 125H Well**, which will be horizontally drilled from a surface location in the SW/4 NE/4 of Section 25 (Unit G) to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 36;
- The proposed **Remuda South 25 State No. 126H Well**, which will be horizontally drilled from a surface location in the SW/4 NE/4 of Section 25 (Unit G) to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 36;
- The proposed **Remuda South 25 State No. 127H Well**, which will be horizontally drilled from a surface location in the SE/4 NE/4 of Section 25 (Unit H) to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 36;

- The proposed **Remuda South 25 State No. 128H Well**, which will be horizontally drilled from a surface location in the SE/4 NE/4 of Section 25 (Unit H) to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 36.

The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

Case No. 15836: Amended Application of XTO Energy Inc. 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, 240-acre spacing and proration unit comprised of the comprised of the W/2 W/2 of Section 24 and the W/2 NW/4 of Section 25, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to three proposed initial wells: the proposed **Remuda North 25 State No. 701H Well**, proposed **Remuda North 25 State No. 702H Well**, and the proposed **Remuda North 25 State No. 902H Well**, which will be pad-drilled sequentially and batch completed. All three wells will be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 25 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 24. The completed interval for each well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

Case No. 15837: Amended Application of XTO Energy Inc. 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, 240-acre spacing and proration unit comprised of the comprised of the W/2 SW/4 of Section 25 and the W/2 W/2 of Section 36, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to three proposed initial wells: the proposed **Remuda South 25 State No. 701H Well**, the proposed **Remuda South 25 State No. 702H Well**, and the proposed **Remuda South 25 State No. 902H Well**, which will be pad-drilled sequentially and batch completed. All three wells will be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 25 to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 36. The completed interval for each well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of each well and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

Case No. 15838: Amended Application of XTO Energy Inc. 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, 240-acre spacing and proration unit comprised of the comprised of the E/2 W/2 of Section 24 and the E/2 NW/4 of Section 25, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to three initial wells: the proposed **Remuda North 25 State No. 703H Well**, the proposed **Remuda North 25 State No. 704H Well**, and the proposed **Remuda**

North 25 State No. 904H Well, which will be pad-drilled sequentially and batch completed. All three wells will be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 25 to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 24. The completed interval for each well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

Case No. 15839: Amended Application of XTO Energy Inc. 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, 240-acre spacing and proration unit comprised of the comprised of the E/2 SW/4 of Section 25 and the E/2 W/2 of Section 36, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to three proposed initial wells: the proposed **Remuda South 25 State No. 703H Well**, the proposed **Remuda South 25 State No. 704H Well**, and the proposed **Remuda South 25 State No. 904H Well**, which will be pad-drilled sequentially and batch completed. All three wells will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 25 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 36. The completed interval for each well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of each well and a 200% charge for risk involved in drilling said well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

Case No. 15840: Amended Application of XTO Energy Inc. 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, 240-acre spacing and proration unit comprised of the comprised of the W/2 E/2 of Section 24 and the W/2 NE/4 of Section 25, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to three initial wells: the proposed **Remuda North 25 State No. 705H Well**, the proposed **Remuda North 25 State No. 706H Well**, and the proposed **Remuda North 25 State No. 906H Well**, which will be pad-drilled sequentially and batch completed. All three wells will be horizontally drilled from a surface location in the NW/4 SE/4 (Unit J) of Section 25 to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 24. The completed interval for each well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

Case No. 15841: Amended Application of XTO Energy Inc. 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, 240-acre spacing and proration unit comprised of the comprised of the W/2 SE/4 of Section 25 and the W/2 E/2 of Section 36, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to three proposed initial wells: the proposed **Remuda South 25 State No. 705H Well**, the proposed **Remuda South 25 State No. 706H Well**, and the proposed **Remuda South 25 State No. 906H Well**, which will be pad-drilled sequentially and batch completed. All three wells will be horizontally drilled from a surface location in the SW/4 NE/4 (Unit G) of Section 25 to a standard bottom hole location in the SW/4 SE/4 (Unit O) of Section 36. The completed interval for each

well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

Case No. 15842: Amended Application of XTO Energy Inc. 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, 240-acre spacing and proration unit comprised of the comprised of the E/2 E/2 of Section 24 and the E/2 NE/4 of Section 25, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to three initial wells: the proposed **Remuda North 25 State No. 707H Well**, the proposed **Remuda North 25 State No. 708H Well**, and the proposed **Remuda North 25 State No. 908H Well**, which will be pad-drilled sequentially and batch completed. All three wells will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 25 to a standard bottom hole location in the NE/4 NE/4 (Unit A) of Section 24. The completed interval for each well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the well and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

Case No. 15843: Amended Application of XTO Energy Inc. 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, 240-acre spacing and proration unit comprised of the comprised of the E/2 SE/4 of Section 25 and the E/2 E/2 of Section 36, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to three proposed initial wells: the proposed **Remuda South 25 State No. 707H Well**, the proposed **Remuda South 25 State No. 708H Well**, and the proposed **Remuda South 25 State No. 908H Well**, which will be pad-drilled sequentially and batch completed. All three wells will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 25 to a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 36. The completed interval for each well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

Case No. 15849: Application of OXY USA Inc. 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 320.25-acre spacing and proration unit comprised of W/2 W/2 of Section 5, and the W/2 W/2 of Section 8, Township 24 South, Range 31 East, NMPM, Eddy 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 two initial wells: applicant's **proposed Sunrise MDP1 8-5 Federal Com No. 1H Well** and the **proposed Sunrise MDP1 8-5 Federal Com No. 2H Well**, to be simultaneously drilled and completed in the Bone Spring formation. These two horizontal wells will be pad drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 8 to a bottom hole location in NW/4 NW/4 (Lot 4) of Section 5. The completed interval for the **Sunrise MDP1 8-5 Federal Com No. 1H Well** will remain within the 330-foot standard offset required by the Statewide Rules set forth in 19.15.15 NMAC. The completed interval for the **Sunrise MDP1 8-5 Federal Com No. 2H Well** is non-standard because it is less than 330 feet from the outer boundary of the spacing unit. OXY has applied administratively and obtained approval for an

unorthodox location for the **Sunrise MDP1 8-5 Federal Com No. 2H Well**. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA Inc. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 15 miles east of Malaga, N.M.

Case No. 15850 : Application of OXY USA Inc. 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 320.26-acre spacing and proration unit comprised of E/2 W/2 of Section 5, and the E/2 W/2 of Section 8, Township 24 South, Range 31 East, NMPM, Eddy 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 the proposed **Sunrise MDP1 8-5 Federal Com No. 3H Well**, which will be drilled horizontally from a surface location in the SE/4 SW/4 (Unit N) of Section 8 to a bottom hole location in NE/4 NW/4 (Lot 3) of Section 5. The completed interval will remain within the 330-foot standard offset required by the Statewide Rules set forth in 19.15.15 NMAC. 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 OXY USA Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles east of Malaga, N.M.

Case No. 15851: Application of Chisholm Energy 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 non-standard 160-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 32, Township 18 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 **Gazelle 32 State 2BS No. 1H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) to a standard bottom hole location in the SW/4SW/4 (Unit M) of Section 32. The completed interval for this well will remain within the 330-foot offset as required by 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 Chisholm Energy Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 32 miles west of Hobbs, New Mexico.

Case No. 15852: Application of Chisholm Energy 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 non-standard 160-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 32, Township 18 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 **Gazelle 32 State 2BS No. 2H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 32. The completed interval for this well will remain within the 330-foot offset as required by 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 Chisholm Energy Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 32 miles west of Hobbs, New Mexico.

Case No. 15853: Application of Chisholm Energy 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 non-standard 160-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 25, Township 20 South, Range 34 East, NMPM, Lea County New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard

unit is to be dedicated to applicant's proposed **Lea South 25 Federal Com No. 12H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) to a standard bottom hole location in the NE/4 NE/4 (Unit A) of Section 25. The completed interval for this well will remain within the 330-foot offset as required by 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 Chisholm Energy Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles northwest of Jal, New Mexico.

Case No. 15854: Application of Black River Water Management Company, LLC to Amend Administrative Order SWD-1682 for a Salt Water Disposal Well Located in Eddy County, New Mexico. Applicant in the above-styled cause seeks an order amending Administrative Order SWD-1682 to permit increase the diameter of the injection tubing in its **Rustler Breaks SWD No. 2 well** (API No. 30-015-44240) from 4-½ inches to 5-½ inches. Administrative Order SWD-1682 currently only allows for tubing that is 4-½ inches or smaller. The subject well is located in Lot 4 (NW/4 NW/4 equivalent) of Irregular Section 6, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. All other approved well designs and permit conditions under Administrative Order SWD-1682 are proposed to remain unchanged. The Rustler Breaks SWD No. 2 well is located approximately 4 miles northwest of Malaga, N.M.

Case No. 15855: Application of Delaware Energy LLC to Revoke the Injection Authority Granted Under SWD-1680 for the Alpha SWD No. 1 Well Operated by Alpha SWD Operating LLC, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order revoking the injection authority granted by Administrative Order SWD-1680 for the Alpha SWD No. 1 well (API No. 30-015-44237), a salt water disposal well located 1,457 feet from the south line and 2,093 feet from the east line of Section 10, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Alpha SWD Operating LLC is the operator of the well. The well is located approximately 4 miles southeast of Loving, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 13th day of September, 2017.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

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

S E A L