

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 18, 2018**, 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 8, 2018**. 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. 16448: Application of Logos Operating, LLC for Compulsory Pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all interests in the Gallup formation underlying the W/2 of Section 33, Township 24 North, Range 7 West, NMPM in Rio Arriba County, New Mexico. Applicant seeks to establish a standard 320-acre horizontal spacing unit within the Basin-Mancos Pool (71599) in the W/2 of Section 33, to which the Special Rules for the Escrito-Gallup Associated Pool apply. The unit will be subject to a federal Communitization Agreement and will be dedicated to two wells to be drilled by Applicant in the Gallup formation as follow: (1) the **Federal 2407 28M South Com 1H** at an approximate surface hole location of 10' FSL & 910' FWL of Section 28-T24N-R7W with an approximate bottom hole location of 330' FWL & 20' FSL of Section 33-T24N-R7W. (2) the **Federal 2308 28M South Com 2H** at an approximate surface hole location of 10' FSL & 970' FWL of Section 28-T24N-R7W with an approximate bottom hole location of 2,240' FWL & 100' FSL of Section 33-T24N-R7W. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of LOGOS 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 8.5 miles east of Nageezi, New Mexico.

Case No. 16449: Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying the E/2 W/2 and W/2 E/2 of Sections 30 and 31, Township 23 South, Range 29 East, Eddy County, New Mexico. Said standard 640-acre horizontal spacing and proration unit is to be dedicated to the applicant's **Spud Muffin 31-30 332H well** to be horizontally drilled in the **Cedar Canyon; Bone Spring (Pool Code 11520)** from a surface location 625' FSL and 2405' FWL of Section 31 to a bottom hole location of 20' FNL and 2630' FWL of Section 30. The completed

interval of this well will be 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 Devon Energy Production Company, L.P. as operator of the well and a 200% charge for risk involved in drilling the well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico.

Case No. 16450: Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico. Mewbourne Oil Company seeks an order pooling of all mineral interests in the Bone Spring formation underlying a 237.60-acre horizontal spacing unit in the Bone Spring formation comprised of Lots 2, 7, 10, 15 and the W/2 SE/4 (the W/2 E/2) of oversized Section 6, Township 21 South, Range 35 East, NMPM. The unit will be dedicated to the **Cast Away B2BW State Com. Well No. 1H**, a horizontal well with a first take point in Lot 2 and a last take point in the SW/4 SE/4 of Section 6. 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 9-1/2 miles west-northwest of Oil Center, New Mexico.

Case No. 16451: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Matador Production Company seeks an order pooling all mineral interests in the Bone Spring formation underlying the W/2 W/2 of Section 1, Township 23 South, Range 27 East, NMPM. The unit will be dedicated to the **Larry Wolfish 1&12-23S-27E RB Well No. 121H**, a horizontal well with a surface location in the SW/4 SW/4 of Section 36, Township 22 South, Range 27 East, N.M.P.M., a first take point in the NW/4 NW/4 of Section 1, and a last take point in the SW/4 SW/4 of Section 1. The producing interval of 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 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 wells. The unit is located approximately 6 miles south-southwest of Carlsbad, New Mexico.

Case No 16452: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Matador Production Company seeks an order pooling all mineral interests in the Bone Spring formation underlying the E/2 W/2 of Section 1, Township 23 South, Range 27 East, NMPM. The unit will be dedicated to the **Larry Wolfish 1&12-23S-27E RB Well No. 122H**, a horizontal well with a surface location in the SE/4 SW/4 of Section 36, Township 22 South, Range 27 East, N.M.P.M., a first take point in the NE/4 NW/4 of Section 1, and a last take point in the SE/4 SW/4 of Section 1. The producing interval of 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 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 wells. The unit is located approximately 6 miles south-southwest of Carlsbad, New Mexico.

Case No. 16453: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Matador Production Company seeks an order pooling all mineral interests in the Bone Spring formation underlying the W/2 E/2 of Section 1, Township 23 South, Range 27 East, NMPM. The unit will be dedicated to the **Larry Wolfish 1&12-23S-27E RB Well No. 123H**, a horizontal well with a surface location in the SW/4 SE/4 of Section 36, Township 22 South, Range 27 East, N.M.P.M., a first take point in the NW/4 NE/4 of Section 1, and a last take point in the SW/4 SE/4 of Section 1. The producing interval of 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 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 wells. The unit is located approximately 5-1/2 miles south-southwest of Carlsbad, New Mexico.

Case No. 16454: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Matador Production Company seeks an order pooling all mineral interests in the Bone Spring formation underlying the E/2 E/2 of Section 1, Township 23 South, Range 27 East, NMPM. The unit will

be dedicated to the **Larry Wolfish 1&12-23S-27E RB Well No. 124H**, a horizontal well with a surface location in the SE/4 SE/4 of Section 36, Township 22 South, Range 27 East, N.M.P.M., a first take point in the NE/4 NE/4 of Section 1, and a last take point in the SE/4 SE/4 of Section 1. The producing interval of 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 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 wells. The unit is located approximately 5-1/2 miles south-southwest of Carlsbad, New Mexico.

Case No. 16455: Application of HPPC, Inc. for a lease pressure maintenance project, Lea County, New Mexico. Applicant seeks approval to institute a lease pressure maintenance project in the Abo formation underlying State Lease K-3851-6 by the injection of produced water into the Abo formation at the approximate depths of 8887-8928 feet subsurface in the **Lea 946 State Well No. 1**, located 1980 feet from the north line and 660 feet from the west line (Unit E) of Section 2, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. The expected maximum injection rate is 500 BWPD, and the maximum injection pressure is 1777 psi. State Lease K-3851-6 covers the NW/4 of Section 2 and the NE/4 of Section 3, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and is centered approximately 3-1/2 miles east-southeast of Buckeye, New Mexico.

CASE 16456: Application of Chisholm Energy Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 160.31-acre horizontal spacing unit comprised of the E/2 E/2 of Section 5, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed **Mudshark 5 State 3BS No. 1H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Lot 2) to bottom hole location in the SE/4 SE/4 (Unit P) of Section 5. The completed interval for the well will remain within the standard setbacks as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating LLC as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 5 miles west of Carlsbad, New Mexico.

CASE 16457: Application of Chisholm Energy Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a 320.64-acre horizontal spacing unit comprised of the E/2 of Section 5, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed **Mudshark 5 State WCB No. 2H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Lot 2) to bottom hole location in the SE/4 SE/4 (Unit P) of Section 5. The completed interval for the well will remain within the standard setbacks as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating LLC as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 5 miles west of Carlsbad, New Mexico.

CASE 16458: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the E/2 E/2 of Section 15 and the E/2 E/2 of Section 22, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the proposed **Huckleberry State Com No. 501H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 27 to bottom hole location in the SE/4 SE/4 (Unit A) of Section 15. The completed interval for the Huckleberry State Com No. 501H Well will remain within the standard setbacks as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of COG Operating

LLC as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 5 miles west of Eunice, New Mexico.

CASE 16459: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the W/2 E/2 of Section 15 and the W/2 E/2 of Section 22, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the proposed **Huckleberry State Com No. 502H Well** and the proposed **Huckleberry State Com No. 503H Well**. Both wells will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 27 to bottom hole location in the NW/4 NE/4 (Unit B) of Section 15. The completed intervals for both wells will remain within the standard setbacks as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing the well the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 5 miles west of Eunice, New Mexico.

CASE 16460: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the E/2 W/2 of Section 15 and the E/2 W/2 of Section 22, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the **Huckleberry State Com No. 504H Well** and the proposed **Huckleberry State Com No. 505H Well**. Both wells will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 27 to bottom hole location in the NE/4 NW/4 (Unit C) of Section 15. The completed intervals for both wells will remain within the standard setbacks as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing the well the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 5 miles west of Eunice, New Mexico.

CASE 16461: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the W/2 W/2 of Section 15 and the W/2 W/2 of Section 22, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the **Huckleberry State Com No. 506H Well** and the proposed **Huckleberry State Com No. 507H Well**. Both wells will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 27 to bottom hole location in the NW/4 NW/4 (Unit D) of Section 15. The completed intervals for both wells will remain within the standard setbacks as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing the well the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 5 miles west of Eunice, New Mexico.

CASE 16462: Application of EOG Resources, Inc. for Approval of a 1280-Acre Non-Standard Horizontal Spacing Unit or Unitized Area Comprised of Acreage Subject to a Proposed Communitization Agreement, Lea County, New Mexico. Applicant in the above-styled cause seeks an order approving an approximately 1280-acre non-standard spacing unit or unitized area in the Wolfcamp formation comprised of acreage subject to a proposed communitization agreement covering Sections 14 and 23, Township 26 South, Range 33 East, NMPM Lea County, New Mexico. This acreage has been placed in the Sanders Tank; Upper Wolfcamp Pool (98097) and is subject to the Division's general statewide rules for oil development. This subject area is located approximately 5 miles west of Andrews Place, New Mexico.

CASE 16463: Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 160-acre horizontal spacing unit comprised of the E/2 W/2 of Section 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the proposed **Brad Lummis Fed Com #112H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 27 to bottom hole location in the SE/4 SW/4 (Unit N) of Section 23. The completed interval for the well will remain within the standard setbacks as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 34 miles southeast of Carlsbad, New Mexico.

CASE 16464: Application of Matador Production Company 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, if necessary, a 320-acre, more or less, non-standard spacing and proration unit in the comprised of the N/2 S/2 of Section 11 and the N/2 S/2 of Section 12, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico; and (3) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **David Edelstein State Com No. 123H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 12 to a standard bottom hole location in the NW/4 SW/4 (Unit L) of Section 11. The completed interval for this well will remain within the standard statewide offsets 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 Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles southwest of Loving, NM.

CASE 16465: Application of OXY USA Inc. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 800-acre horizontal spacing unit comprised of the SW/4 of Section 17, the W/2 of Section 20, and the W/2 of Section 29, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed **Pure Gold MDP1 29-17 Federal Com No. 2H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 29 to bottom hole location in the NW/4 SW/4 (Unit L) of Section 17. The horizontal spacing unit includes the adjacent proximity tracts. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of OXY USA Inc. as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 25 miles west of southeast of Carlsbad, New Mexico.

CASE 16466: Application of OXY USA Inc. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 800-acre horizontal spacing unit comprised of the SE/4 of Section 17, the E/2 of Section 20, and the E/2 of Section 29, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed **Pure Gold MDP1 29-17 Federal Com No. 5H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 29 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 17. The horizontal spacing unit encompasses the adjacent proximity tracts. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of OXY USA Inc. as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 25 miles west of southeast of Carlsbad, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 19th day of September, 2018.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

**Heather Riley
Director**

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