

## 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 4, 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 **September 24, 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/](http://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. 16427: Application of Devon Energy Production Company LP for a Standard Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2 E/2 of Section 6 and the E/2 E/2 of Section 7, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all mineral interests in the Wolfcamp formation (BOBCAT DRAW; UPPER WOLFCAMP [98094]) underlying the standard unit, and (2) pooling all uncommitted interests in the Wolfcamp formation (BOBCAT DRAW; UPPER WOLFCAMP [98094]). Said horizontal spacing unit is to be assigned to the proposed initial **Jayhawk 6-7 Fed Fee Com 3H Well**, to be horizontally drilled from a surface location 365' FNL and 290' FEL of Section 6 to a bottom hole location 330' FSL and 980' FEL of Section 7. This well is the "defining well" for this unit. Also to be drilled are the following infill wells: (1) the **Jayhawk 6-7 Fed Fee Com 1H Well**, to be horizontally drilled from a surface location 365' FNL and 230' FEL of Section 6 to a bottom hole location 330' FSL and 360' FEL of Section 7, and (2) the **Jayhawk 6-7 Fed Fee Com 2H Well**, to be horizontally drilled from a surface location 365' FNL and 260' FEL of Section 6 to a bottom hole location 330' FSL and 360' FEL of Section 7. The completed interval for the Jayhawk 6-7 Fed Fee Com 1H Well, Jayhawk 6-7 Fed Fee Com 2H Well, and Jayhawk 6-7 Fed Fee Com 3H Well will remain within the 330-foot setbacks as required by the Statewide rules for horizontal oil wells. The first and last take points for the Jayhawk 6-7 Fed Fee Com 3H Well, Jayhawk 6-7 Fed Fee Com 1H Well, and Jayhawk 6-7 Fed Fee Com 2H Well will remain within the 100-foot setbacks required by the Statewide rules for horizontal oil wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation

of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 20 miles southwest of Jal, New Mexico.

***Case No. 16428: Application of Devon Energy Production Company LP for a Standard Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the W/2 E/2 of Section 6 and the W/2 E/2 of Section 7, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all mineral interests in the Wolfcamp formation (BOBCAT DRAW; UPPER WOLFCAMP [98094]) underlying the standard unit, and (2) pooling all uncommitted interests in the Wolfcamp formation (BOBCAT DRAW; UPPER WOLFCAMP [98094]). Said horizontal spacing unit is to be assigned to the proposed initial **Jayhawk 6-7 Fed Fee Com 8H Well**, to be horizontally drilled from a surface location 615' FNL and 2,120' FEL of Section 7 to a bottom hole location 20' FNL and 2,300' FEL of Section 6. This well is the "defining well" for this unit. Also to be drilled are the following infill wells: (1) **Jayhawk 6-7 Fed Fee Com 6H Well**, to be horizontally drilled from a surface location 615' FSL and 2,060' FEL of Section 7 to a bottom hole location 20' FNL and 1,660' FEL of Section 6, and (2) the **Jayhawk 6-7 Fed Fee Com 7H Well**, to be horizontally drilled from a surface location 615' FSL and 2,090' FEL of Section 7 to a bottom hole location 20' FNL and 1,660' FEL of Section 6. The completed intervals for the Jayhawk 6-7 Fed Fee Com 6H Well, Jayhawk 6-7 Fed Fee Com 7H Well, and Jayhawk 6-7 Fed Fee Com 8H Well will remain within the 330-foot setbacks required by the Statewide rules for horizontal oil wells. The first and last take points for the Jayhawk 6-7 Fed Fee Com 6H Well, Jayhawk 6-7 Fed Fee Com 7H Well, and Jayhawk 6-7 Fed Fee Com 8H Well will remain within the 100-foot setbacks required by the Statewide rules for horizontal oil wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 20 miles southwest of Jal, New Mexico.

***Case No. 16429: Application of Devon Energy Production Company LP for a Standard Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2 E/2 of Section 6 and the E/2 E/2 of Section 7, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (WC-025 G-09 S263406D; LOWER BS [98038]) underlying the standard unit. Said horizontal spacing unit is to be assigned to the proposed initial **Jayhawk 6-7 Fed Fee Com 15H Well**, to be horizontally drilled from a surface location 365' FNL and 320' FEL of Section 6 to a bottom hole location 20' FSL and 980' FEL of Section 7. This well is the "defining well" for this unit. The completed interval for the Jayhawk 6-7 Fed Fee Com 15H Well will remain within the 330-foot setbacks required by the Statewide rules for horizontal oil wells. The first and last take points for the Jayhawk 6-7 Fed Fee Com 15H Well will remain within the 100-foot setbacks required by the Statewide rules for horizontal oil wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 20 miles southwest of Jal, New Mexico.

***Case No. 16430: Application of Tap Rock Operating, LLC for a Standard 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) creating a standard 640-acre, more or less, horizontal spacing and proration unit comprised of the N/2 of Section 7 and the N/2 of Section 8, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico, pooling all mineral interests in the Wolfcamp formation (Purple Sage-Wolfcamp Pool) underlying the standard unit, and (2) pooling all uncommitted interests in the Wolfcamp formation (Purple Sage-Wolfcamp Pool). Said horizontal spacing unit is to be assigned to the proposed initial **Old Chub 23S27E0807 Fed Com #201H well**, to be horizontally drilled from an

approximate surface location 637' FNL and 366' FEL of Section 8 to a bottom hole location 3500' FNL and 200' FWL of Section 7. This well is the "defining well" for this unit. Also to be drilled are the following infill wells: (1) **Old Chub 23S27E0807 Fed Com #202H well**, to be horizontally drilled from an approximate surface location 1805' FNL and 360' FEL of Section 8 to a bottom hole location 1668' FNL and 200' FWL of Section 7, (2) the **Old Chub 23S27E0807 Fed Com #205H well**, to be horizontally drilled from an approximate surface location 667' FNL and 366' FEL of Section 8 to a bottom hole location 1000' FNL and 200' FWL of Section 7, and (3) the **Old Chub 23S27E0807 Fed Com #207H well**, to be horizontally drilled from an approximate surface location 1835' FNL and 360' FEL of Section 8 to a bottom hole location 2326' FNL and 200' FWL of Section 7. The completed intervals and first and last take points for these wells are within the setbacks required by the Purple Sage-Wolfcamp pool rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 4 miles South of Carlsbad, New Mexico.

***Case No. 16431: Application of Tap Rock Operating, LLC for a Standard 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) creating a standard 640-acre, more or less, horizontal spacing and proration unit comprised of the S/2 of Section 7 and the S/2 of Section 8, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico, pooling all mineral interests in the Wolfcamp formation (Purple Sage-Wolfcamp Pool) underlying the standard unit, and (2) pooling all uncommitted interests in the Wolfcamp formation (Purple Sage-Wolfcamp Pool). Said horizontal spacing unit is to be assigned to the proposed initial **Old Chub 23S27E0807 Fed Com #203H well**, to be horizontally drilled from an approximate surface location 1914' FSL and 355' FEL of Section 8 to a bottom hole location 2317' FSL and 200' FWL of Section 7. This well is the "defining well" for this unit. Also to be drilled are the following infill wells: (1) **Old Chub 23S27E0807 Fed Com #204H well**, to be horizontally drilled from an approximate surface location 1035' FSL and 325' FEL of Section 8 to a bottom hole location 994' FSL and 200' FWL of Section 7, (2) the **Old Chub 23S27E0807 Fed Com #206H well**, to be horizontally drilled from an approximate surface location 1884' FSL and 355' FEL of Section 8 to a bottom hole location 1664' FSL and 200' FWL of Section 7, and (3) the **Old Chub 23S27E0807 Fed Com #208H well**, to be horizontally drilled from an approximate surface location 1005' FSL and 325' FEL of Section 8 to a bottom hole location 341' FSL and 200' FWL of Section 7. The completed intervals and first and last take points for these wells are within the setbacks required by the Purple Sage-Wolfcamp pool rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 4 miles South of Carlsbad, New Mexico.

***Case No. 16432: Application of Tap Rock Resources, LLC for compulsory pooling, Eddy County, New Mexico.*** Tap Rock Resources, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying a 457.78-acre horizontal spacing unit comprised of the W/2 of Section 27 and Lots 7-10 (the W/2) of Section 34, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to (i) the **Welcome to Golden 26S29E2734 Well No. 201H**, and (ii) the **Welcome to Golden 26S29E2734 Well No. 211H**, to be drilled to depths sufficient to test the Wolfcamp formation. The wells are horizontal wells, with first take points in the NW/4 NW/4 (Unit D) of Section 27, and last take points in Lot 19 (Unit E) of Section 34. 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 Tap Rock Operating, LLC as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 3-1/2 miles east-northeast of the intersection of U.S. Highway 285 with the New Mexico-Texas border.

***Case No. 16433: Application of Tap Rock Resources, LLC for compulsory pooling, Eddy County, New Mexico.*** Tap Rock Resources, LLC seeks an order pooling all mineral interests in the Wolfcamp formation

underlying a 441.71-acre horizontal spacing unit comprised of the E/2 of Section 27 and Lots 5, 6, 11, and 12 (the E/2) of Section 34, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the **Welcome to Golden 26S29E2734 Well No. 244H**, to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a first take point in the NE/4 NE/4 (Unit A) of Section 27, and a last take point in Lot 12 (Unit H) of Section 34. 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 Tap Rock Operating, LLC as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 4 miles east-northeast of the intersection of U.S. Highway 285 with the New Mexico-Texas border.

***Case No. 16221: Amended Application of EOG Resources, 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, if necessary, a non-standard, 320-acre spacing and proration unit comprised of the N/2 S/2 of Section 23 and the N/2 S/2 of Section 24, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico; (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage; and (3) allocating production based on surface acreage and ownership in the targeted interval. Said spacing unit is to be dedicated to applicant's proposed **Spork 24 Fed Com No. 301H Well** and **Spork 24 Fed Com No. 501H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 24 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 23. The completed intervals for these wells will commence and remain within the 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 EOG Resources, Inc. as operator of the wells and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles southeast of Artesia, New Mexico.

***Case No. 16434: Application of EOG Resources, 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, 320-acre spacing and proration unit comprised of the S/2 S/2 of Section 23 and the S/2 S/2 of Section 24, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico; (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage; and (3) allocating production based on surface acreage and ownership in the target interval. Said spacing unit is to be dedicated to applicant's proposed **Spork 24 Fed Com No. 302H Well** (API No. Pending), the **Spork 24 Fed Com No. 502H**, and the **Spork 24 Fed Com No. 503H Well** (API No. Pending), which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 24 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 23. The completed intervals for these wells will commence and remain within the 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 EOG Resources, Inc. as operator of the wells and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles southeast of Artesia, New Mexico.

***Case No. 16435: Application of Matador Production Company 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, if necessary, a non-standard, 160-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 35, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico and (2) pooling all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Brad Dyer Federal No. 202H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 35. The completed interval for this well will remain within the standard

offset required by the statewide rules. 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 34 miles southeast of Carlsbad, New Mexico.

***Case No. 16436: Application of Chevron Corporation for Approval of the Javelina Unit and Surface Commingling, Eddy County New Mexico.*** Applicant seeks approval of its Javelina Unit consisting of approximately 5,119.76 acres of state and federal lands situated in all of Sections 1, 2, 9, 10, 11, 12, 15 and 16 of Township 24 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. The unitized interval includes all oil and gas in any and all formations of the unitized land from the top of the Bone Spring formation defined as the stratigraphic equivalent of the top of the Bone Spring Lime, as seen at 8,400 feet beneath the surface in that certain Schlumberger Gamma Ray and Dual Laterolog/MSFL, dated November 13, 1980, in the Sotol Federal 1 (API # 30-015-23459), located in Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico, to the center of the earth. In addition, Applicant seeks approval to surface commingle production from the Bone Spring and Wolfcamp formations underlying the unit. The subject acreage is located approximately 20 miles East of Loving, New Mexico.

***Case No. 16437: Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order from the Division pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2 E/2 of Section 7, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be the unit for the **Lea Federal Com 29H well**, to be horizontally drilled. The producing area for this well will be orthodox. 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 11.6 miles southeast of the intersection of Hobbs Highway 180 and County Road 27-A/Marathon Road.

***Case No. 16438: Application of NGL Water Solutions Permian, LLC for approval of salt water disposal well in Lea County, New Mexico.*** Applicant seeks an order approving disposal into the Devonian and Silurian formations through the **Jack Tank SWD #1** well. NGL proposes to drill this well at a surface location 1,400 feet from the North line and 1,853 feet from West line of Section 5, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. The target injection interval is the Devonian and Silurian formations at a depth of 16,800' – 17,809'. NGL further seeks approval of the use of 7-inch tubing inside the surface and intermediate casings and 5 ½-inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said area is located approximately 31 miles west of Jal, New Mexico.

***Case No. 16439: Application of NGL Water Solutions Permian, LLC for approval of salt water disposal well in Lea County, New Mexico.*** Applicant seeks an order approving disposal into the Devonian and Silurian formations through the **McCloy Central SWD #1** well. NGL proposes to drill this well at a surface location 762 feet from the North line and 383 feet from East line of Section 24, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. The target injection interval is the Devonian and Silurian formations at a depth of 17,424' – 18,533'. NGL further seeks approval of the use of 7-inch tubing inside the surface and intermediate casings and 5 ½-inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said area is located approximately 26 miles west of Jal, New Mexico.

***Case No. 16440: Application of NGL Water Solutions Permian, LLC for approval of salt water disposal well in Lea County, New Mexico.*** Applicant seeks an order approving disposal into the Devonian and

Silurian formations through the **McCloy West SWD #1** well. NGL proposes to drill this well at a surface location 1,019 feet from the South line and 2,388 feet from the East line of Section 14, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. The target injection interval is the Devonian and Silurian formations at a depth of 17,350' – 18,451'. NGL further seeks approval of the use of 7-inch tubing inside the surface and intermediate casings and 5 ½-inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said area is located approximately 28 miles west of Jal, New Mexico.

***Case No. 16441: Application of NGL Water Solutions Permian, LLC for approval of salt water disposal well in Lea County, New Mexico.*** Applicant seeks an order approving disposal into the Devonian and Silurian formations through the **Minuteman SWD #1** well. NGL proposes to drill this well at a surface location 659 feet from the South line and 449 feet from West line of Section 14, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico. The target injection interval is the Devonian and Silurian formations at a depth of 16,691' – 18,326'. NGL further seeks approval of the use of 7-inch tubing inside the surface and intermediate casings and 5 ½-inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said area is located approximately 22 miles west of Jal, New Mexico.

***Case No. 16442: Application of NGL Water Solutions Permian, LLC for approval of salt water disposal well in Eddy County, New Mexico.*** Applicant seeks an order approving disposal into the Devonian and Silurian formations through the **Red Road SWD #1** well. NGL proposes to drill this well at a surface location 510 feet from the South line and 1,167 feet from East line of Section 26, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. The target injection interval is the Devonian and Silurian formations at a depth of 16,450' – 17,458'. NGL further seeks approval of the use of 7 -nch tubing inside the surface and intermediate casings and 5 ½-inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said area is located approximately 34 miles west of Jal, New Mexico.

***Case No. 16443: Application of NGL Water Solutions Permian, LLC for approval of salt water disposal well in Lea County, New Mexico.*** Applicant seeks an order approving disposal into the Devonian and Silurian formations through the **Sidewinder SWD #1** well. NGL proposes to drill this well at a surface location 244 feet from the South line and 1581 feet from East line of Section 10, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. The target injection interval is the Devonian and Silurian formations at a depth of 17,157' – 19,067'. NGL further seeks approval of the use of 7-inch tubing inside the surface and intermediate casings and 5 ½-inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said area is located approximately 22 miles west of Jal, New Mexico.

***Case No. 16444: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Tempo Energy, Inc., for Wells Operated in Lea County, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Tempo Energy, Inc. (“Operator”) is out of compliance with 19.15.5.9(A)(4), 19.15.8, 19.15.25.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4), 19.15.8, 19.15.25.8 NMAC and NMSA 1978, § 70-2-14 within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

***Case No. 16445: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Coulthurst Management and Investments, Inc., for Wells Operated in Sandoval County, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Coulthurst Management and Investments, Inc., (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 6<sup>th</sup> day of September , 2018.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

**Heather Riley  
Director**

**S E A L**