

AMENDED 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 **March 8 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 **February 27, 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. 15998: Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Section 13, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico, and the pooling of all uncommitted mineral interests located within the proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Ballista Federal 23-32-13 WA 6H, Ballista Federal 23 32 13 WXY 3H** and the **Ballista Federal 23 32 13 WXY 12H** wells, to be horizontally drilled. The perforations for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 26 miles east northeast of Malaga, New Mexico.

Case No. 15999: Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order to create a non-standard spacing and proration unit covering the Bone Spring formation, which is comprised of the W/2 E/2 of Section 11, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico, and the pooling of all uncommitted mineral interests located within the proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Urraca Federal Com 23 32 11 SB 15H 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 Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 26 miles east northeast of Malaga, New Mexico.

Case No. 16000: Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling Lea County, New Mexico. Applicant seeks an order to create a non-standard spacing and proration unit covering the Bone Spring formation, which is comprised of the E/2 E/2 of Section 11, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico, and the pooling of all uncommitted mineral interests located within the proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Urraca Federal Com 23 32 11 SB 22H 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 Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 26 miles east northeast of Malaga, New Mexico.

Case No. 16015: Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling Lea County, New Mexico. Applicant seeks an order to create a non-standard spacing and proration unit covering the Bone Spring formation, which is comprised of the E/2 W/2 of Section 11, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico and the pooling of all uncommitted mineral interests located within the proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Urraca Federal Com 23 32 11 AV 24H 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 wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 26 miles east northeast of Malaga, New Mexico.

Case No. 15965 (readvertised): Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 640-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the N/2 of Section 23 and the N/2 of Section 24, Township 25 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the **Oxbow 23/24 W1DA Fed. Com. Well No. 1H** and the **Oxbow 23/24 W2DA Fed. Com. Well No. 2H**, horizontal wells with surface locations in the NW/4 NW/4 of Section 23, and bottomhole locations in the NE/4 NE/4 of Section 24. 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 10-1/2 miles southeast of Malaga, New Mexico.

Case No. 15966 (readvertised): Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 640-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the S/2 of Section 23 and the S/2 of Section 24, Township 25 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the **Oxbow 23/24 W2LI Fed. Com. Well No. 1H** and the **Oxbow 23/24 W1LI Fed. Com. Well No. 2H**, horizontal wells with surface locations in the NW/4 SW/4 of Section 23, and bottomhole locations in the NE/4 SE/4 of Section 24. 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 11 miles southeast of Malaga, New Mexico.

Case No. 15967 (readvertised): Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 640-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the N/2 of Section 25 and the N/2 of Section 26, Township 25 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the **Oxbow 26/25 W2DA Fed. Com. Well No. 1H** and the **Oxbow 26/25 W1DA Fed. Com. Well No. 2H**, horizontal wells with surface locations in the NW/4 NW/4 of Section 26, and bottomhole locations in the NE/4 NE/4 of Section 25. 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 11 miles southeast of Malaga, New Mexico.

Case No. 15991 (readvertised): Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 32, Township 23 South, Range 28 East, NMPM. The unit will be dedicated to (i) the **Zeppelin 32 W2LI State Com. Well No. 2H**, a horizontal well with a surface location in the NW/4 SW/4, and a bottomhole location in the NE/4 SE/4, of Section 32, and (ii) the **Zeppelin 32 W0LI State Com. Well No. 1H**, a horizontal well with a surface location in the NW/4 SW/4, and a bottomhole location in the NE/4 SE/4 of Section 32. The producing intervals of the wells will be orthodox. 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 2 miles south of Loving, New Mexico.

Case No. 15914 (readvertised): Application of Mewbourne Oil Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 479.88-acre non-standard spacing and proration unit in the Wolfcamp formation underlying Lots 1, 2, S/2 NE/4, and SE/4 (the E/2) of Section 6 and the NE/4 of Section 7, Township 24 South, Range 29 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to (i) the **Pecos Valley W2AH Fed. Com. Well No. 1H**, a horizontal well with a surface location in Lot 1 of Section 6, and a terminus in the SE/4 NE/4 of Section 7, and (ii) the **Pecos Valley W0AH Fed. Com. Well No. 2H**, a horizontal well with a surface location in Lot 1 of Section 6, and a terminus in the SE/4 NE/4 of Section 7. The producing interval of each well will be orthodox. 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 3-1/2 miles northeast of Malaga, New Mexico.

Case No. 16001: Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 480-acre non-standard gas spacing and proration unit in the Wolfcamp formation underlying the W/2 of Section 36 and the SW/4 of Section 25, Township 24 South, Range 28 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to: (i) the **Fleetwood 36/25 W0ML State Com. Well No. 1H**, a horizontal well with a surface location in the SW/4 SW/4 of Section 36 and a terminus in the NW/4 SW/4 of Section 25; and (ii) the **Fleetwood 36/25 W2ML State Com. Well No. 2H**, a horizontal well with a surface location in the SW/4 SW/4 of Section 36 and a terminus in the NW/4 SW/4 of Section 25. The beginning and end of the producing interval in each well will be orthodox. 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 4 miles south-southeast of Malaga, New Mexico.

Case No. 16002: Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 640-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the N/2 of Section 9 and the N/2 of Section 8, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the **Chicago 9/8 W0HE Fee Com. Well No. 1H** and the **Chicago 9/8 W2HE Fee Com. Well No. 2H**, horizontal wells with surface locations in the SE/4 NE/4 of Section 9, and bottomhole locations in the SW/4 NW/4 of Section 8. 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 2 miles west-northwest of Malaga, New Mexico.

Case No. 16003: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 28, Township 23 South, Range 28 East, NMPM. The unit will be dedicated to (i) the **Night Ranger 28 W2AP Fee Well No. 1H**, a horizontal well with a surface location in the NE/4 NE/4, and a bottomhole location in the SE/4 SE/4, of Section 28, and (ii) the **Night Ranger 28 W0AP Fee Well No. 2H**, a horizontal well with a surface location in the NE/4 NE/4, and a bottomhole location in the SE/4 SE/4, of Section 28. The producing intervals of the wells will be orthodox. 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 3-1/2 miles east-southeast of Black River Village, New Mexico.

Case No. 15978: Amended Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico. Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells within the same spacing unit, three wells within a quarter section (E/2 of Section 14), and two wells in the same quarter-quarter section (SE/4 NE/4, Unit H). Hilcorp further seeks approval for the proposed locations of the **San Juan 28-7 Unit 233G Well** (API No. 30-039-27005) and the **San Juan 28-7 Unit 233E Well** (API No. 30-039-2291) in the Mesaverde formation within the E/2 of Section 14, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-7 Unit 233G Well and the San Juan 28-7 Unit 233E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

Case No. 16004: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico. Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 324.69-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-6 Unit 164 Well** (API No. 30-039-20479) in the Mesaverde formation with a surface location in the W/2 of Section 34, Township 28 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-6 Unit 164 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

Case No. 16005: Application of COG Operating LLC 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 160-acre, more or less, spacing and proration unit comprised of the S/2 N/2 of Section 22, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling record title owners in the San Andres formation (Red Lake; San Andres Pool (Pool Code 97253)). Said non-standard unit is to be dedicated to applicant's **Collier 22 State Com No. 43H Well**. This is a horizontal well that has been drilled from a surface location in the SW/4 NW/4 (Unit E) to a standard bottom hole location in the SE/4 NE/4 (Unit H) of Section 22. The completed interval for this well is within the 330-foot offset as required by the Statewide rules for oil wells. Said area is located approximately 13 miles east of Artesia, New Mexico.

Case No. 16006: Application Of EOG Resources, Inc. For Approval Of A 640-Acre Non-Standard Spacing Unit, Lea County, New Mexico. Applicant in the above-styled cause seeks an order approving an approximately 640-acre non-standard spacing unit in the Wolfcamp formation comprised of the E/2 of Section 14 and the E/2 of Section 23, Township 26 South, Range 33 East, NMPM Lea County, New Mexico. This acreage has been placed in the Sanders Tank; Upper Wolfcamp Pool (Pool Code 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 No. 16007: 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 640-acre non-standard spacing and proration unit comprised of the N/2 of Section 1 and the N/2 of Section 2, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be the project area for three proposed initial wells, to be drilled and simultaneously completed: the proposed **Corral Fly "02-01" State No. 31H Well**, the proposed **Corral Fly "02-01" State No. 32H Well**, and the proposed **Corral Fly "02-01" State No. 33H Well**. The three proposed horizontal wells will be pad drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 2. The **Corral Fly "02-01" State No. 31H Well** has a standard bottom hole location in the NE/4 NE/4 (Lot 4) of Section 1. The **Corral Fly "02-01" State No. 32H Well** and the **Corral Fly "02-01" State No. 33H Well** have standard bottom hole locations in the SE/4 NE/4 (Unit H) of Section 1. The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220). 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 OXY USA Inc. as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 9 miles southeast of Malaga, N.M.

Case No. 16008: 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 640-acre non-standard spacing and proration unit comprised of the S/2 of Section 1 and the S/2 of Section 2, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be the project area for two proposed initial wells, to be drilled and simultaneously completed: the proposed **Corral Fly "02-01" State No. 34H Well** and the proposed **Corral Fly "02-01" State No. 35H Well**. The two proposed horizontal wells will be pad drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 2. The **Corral Fly "02-01" State No. 34H Well** has a standard bottom hole location in the NE/4 SE/4 (Unit I) of Section 1. The **Corral Fly "02-01" State No. 35H Well** will have a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 1. The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220). 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 OXY USA

Inc. as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 9 miles southeast of Malaga, N.M.

Case No. 16009: 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 319.91-acre spacing and proration unit comprised of the W/2 W/2 of Section 1 and the W/2 W/2 of Section 12, Township 24 South, Range 30 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 the project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Nimitz MDP1 “12” Federal Com No. 1H Well** and the proposed **Nimitz MDP1 “12” Federal Com No. 2H Well**. The **Nimitz MDP1 “12” Federal Com No. 1H Well** will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 12 to a standard bottom hole location in the NW/4 NW/4 (Lot 4) of Section 1. The **Nimitz MDP1 “12” Federal Com No. 2H Well** will be horizontally drilled from a surface location in the NE/4 NW/4 of Section 13 (Unit C) to a standard bottom hole location in the NW/4 NW/4 (Lot 4) of Section 1. The completed interval for the **Nimitz MDP1 “12” 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 **Nimitz MDP1 “12” Federal Com No. 2H Well** will be at a non-standard location. OXY has obtained administrative approval of a non-standard location for the **Nimitz MDP1 “12” Federal Com No. 2H Well**. 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 OXY USA Inc. as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 14 miles east of Malaga, N.M.

Case No. 16010: 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 319.99-acre spacing and proration unit comprised of the E/2 E/2 of Section 1 and the E/2 E/2 of Section 12, Township 24 South, Range 30 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 the project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Nimitz MDP1 “12” Federal Com No. 6H Well** and the proposed **Nimitz MDP1 “12” Federal Com No. 7H Well**. The **Nimitz MDP1 “12” Federal Com No. 6H Well** and the **Nimitz MDP1 “12” Federal Com No. 7H Well** will be pad drilled horizontally from a surface location in the SE/4 SE/4 (Unit P) of Section 12 to a standard bottom hole location in the NE/4 NE/4 (Lot 1) of Section 1. The completed interval for the **Nimitz MDP1 “12” Federal Com No. 6H 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 **Nimitz MDP1 “12” Federal Com No. 7H Well** will be at a non-standard location. OXY has obtained administrative approval of a non-standard location for the **Nimitz MDP1 “12” Federal Com No. 7H Well**. 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 OXY USA Inc. as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 14 miles east of Malaga, N.M.

Case No. 16011: 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 319.96-acre non-standard spacing and proration unit comprised of the W/2 E/2 of Section 1 and the W/2 E/2 of Section 12, Township 24 South, Range 30 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 applicant’s proposed **Nimitz MDP1 “12” Federal Com No. 8H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 13 to a standard bottom hole location in the NW/4 NE/4 (Lot 2) of Section 1. The completed interval for this 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 said 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 14 miles east of Malaga, N.M.

Case No. 16012: 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 319.94-acre non-standard spacing and proration unit comprised of the E/2 W/2 of Section 1 and the E/2 W/2 of Section 12, Township 24 South, Range 30 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 applicant's proposed **Nimitz MDP1 "12" Federal Com No. 9H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 13 to a standard bottom hole location in the NE/4 NW/4 (Lot 3) of Section 1. The completed interval for this 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 said 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 14 miles east of Malaga, N.M.

Case No. 16013: 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 160-acre non-standard spacing and proration unit comprised of the W/2 E/2 of Section 13, Township 24 South, Range 30 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 applicant's proposed **Nimitz MDP1 "13" Federal Com No. 1H 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 SW/4 SE/4 (Unit O) of Section 13. The completed interval for this 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 said 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 14 miles east of Malaga, N.M.

Case No. 16014: 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 160-acre spacing and proration unit comprised of the E/2 E/2 of Section 13, Township 24 South, Range 30 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 the project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Nimitz MDP1 "13" Federal Com No. 2H Well** and the proposed **Nimitz MDP1 "13" Federal Com No. 3H Well**. Both wells will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 12 to a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 13. The completed interval for the **Nimitz MDP1 "13" Federal Com No. 3H 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 **Nimitz MDP1 "13" Federal Com No. 2H Well** will be at a non-standard location. OXY has obtained administrative approval of a non-standard location for the **Nimitz MDP1 "13" Federal Com No. 2H Well**. 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 OXY USA Inc. as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 14 miles east of Malaga, N.M.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 9th day of February, 2018.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

**Heather Riley
Director, Oil Conservation Division**

S E A L