

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 **May 31, 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 **May 21, 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. 16163: Application of Devon Energy Production Company, L.P. 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 632.38-acre non-standard spacing and proration unit comprised of the W/2 of Section 30 and the W/2 of Section 31, Township 23 South, Range 29 East, Eddy County, New Mexico; and (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to the applicant's four proposed initial wells:

- The proposed **Spud Muffin 30-31 Fed Com 731H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 of Section 31 (Unit M, Lot 4) to a bottom hole location in the NW/4 NW/4 of Section 30 (Unit D, Lot 1);
- The proposed **Spud Muffin 30-31 Fed Com 732H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 of Section 31 (Unit M, Lot 4) to a bottom hole location in the NW/4 NW/4 of Section 30 (Unit D, Lot 1);
- The proposed **Spud Muffin 31-30 Com 733H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 of Section 31 (Unit N) to a bottom hole location in the NE/4 NW/4 of Section 30 (Unit C);
- The proposed **Spud Muffin 31-30 Com 734H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 of Section 31 (Unit N) to a bottom hole location in the NE/4 NW/4 of Section 30 (Unit C).

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

Case No. 16164: Application of Devon Energy Production Company, L.P. 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 640-acre non-standard spacing and proration unit comprised of the E/2 of Section 30 and the E/2 of Section 31, Township 23 South, Range 29 East, Eddy County, New Mexico; and (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to the applicant's four proposed initial wells:

- The proposed **Spud Muffin 31-30 735H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 of Section 31 (Unit O) to a bottom hole location in the NW/4 NE/4 of Section 30 (Unit B);
- The proposed **Spud Muffin 31-30 736H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 of Section 31 (Unit O) to a bottom hole location in the NW/4 NE/4 of Section 30 (Unit B);
- The proposed **Spud Muffin 31-30 737H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 of Section 31 (Unit P) to a bottom hole location in the NE/4 NE/4 of Section 30 (Unit A);
- The proposed **Spud Muffin 31-30 738H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 of Section 31 (Unit P) to a bottom hole location in the NE/4 NE/4 of Section 30 (Unit A);

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

Case No. 16095: Amended Application of Advance Energy Partners Hat Mesa, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard 240-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit from the top of the 1st Bone Spring Sand to the base of the 2nd Bone Spring Sand. The unit will be dedicated to Applicant's proposed **Wool Head #501H** well to be drilled from an approximate surface location 100 feet from the south line and 990 feet from the west line of Section 20, Township 21 South, Range 33 East to a bottomhole location 2,540 feet from the south line and 990 feet from the west line of Section 17, Township 21 South, Range 33 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.5 miles northeast of Hat Mesa, New Mexico.

Case No. 16165: Application of Tap Rock Operating, LLC for a Non-Standard Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order approving a non-standard spacing and proration unit comprised of the N/2 of Section 6 and the N/2 of Section 5, 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 non-standard unit. The unit will be dedicated to Applicant's proposed **Pliny the Elder 23S27E0605 #201H** well to be drilled from an orthodox location approximately 870 feet from the north line and 330 feet from the west line of Section 4, Township 23 South, Range 27 East, to a bottom hole location approximately 330 feet from the north line and 200 feet from the west line of Section 6, Township 23 South, Range 27 East. Also to be considered will be the cost

of drilling and completing the well 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 well. The well and lands are located approximately 7 miles southwest of downtown Carlsbad, New Mexico.

Case No. 16166: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico; Applicant seeks an order pooling all mineral interests within the vertical limits of the Paduca Delaware pool (Pool Code 49460), dedicated to its **Paduca 16 State 201H well**, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the W/2 W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. The well is located approximately 28 miles due west of Jal, New Mexico.

Case No. 16167: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico; Applicant proposes an order pooling all mineral interests within the vertical limits of the Paduca Delaware pool (Pool Code 49460), dedicated to its **Paduca 16 State 202H well**, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the W/2 E/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. The well is located approximately 28 miles due west of Jal, New Mexico.

Case No. 16168: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico; Applicant seeks an order pooling all mineral interests within the vertical limits of the Paduca Delaware pool (Pool Code 49460), dedicated to its **Paduca 16 State 203H well**, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the E/2 W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. The well is located approximately 28 miles due west of Jal, New Mexico.

Case No. 16169: Application of Pride Energy Company, for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico; Applicant seeks an order pooling all mineral interests within the Bone Spring formation (Pool Code WC-205 G-05 S-253209L; Bone Spring 96715), dedicated to its **Paduca 16 State 501H well**, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the W/2 W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. The well is located approximately 28 miles due west of Jal, New Mexico.

Case No. 16170: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico; Applicant seeks an order pooling all mineral interests within the Bone Spring formation (Pool Code WC-205 G-05 S-253209L; Bone Spring 96715), dedicated to its **Paduca 16 State 502H well**, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the W/2 E/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. The well is located approximately 28 miles due west of Jal, New Mexico.

Case No. 16171: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico; Applicant seeks an order pooling all mineral interests within the Bone Spring formation (Pool Code WC-205 G-05 S-253209L; Bone Spring 96715), dedicated to its **Paduca 16 State 503H well**, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the E/2 W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. The well is located approximately 28 miles due west of Jal, New Mexico.

Case No. 16172: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico; Applicant seeks an order

pooling all mineral interests within the vertical limits of the Wolfcamp formation (Pool Code 98270), dedicated to its **Paduca 16 State 701H well**, non-standard 160 acre spacing and proration unit, unorthodox location, underlying the W/2 W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. The well is located approximately 28 miles due west of Jal, New Mexico.

Case No. 16173: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico; Applicant seeks an order pooling all mineral interests within the vertical limits of the Wolfcamp formation (Pool Code 98270), dedicated to its **Paduca 16 State 702H well**, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the W/2 E/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. The well is located approximately 28 miles due west of Jal, New Mexico.

Case No. 16174: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico; Applicant proposes an order pooling all mineral interests within the vertical limits of the Wolfcamp formation (Pool Code 98270), dedicated to its **Paduca 16 State 703H well**, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the E/2 W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. The well is located approximately 28 miles due west of Jal, New Mexico.

Case No. 16175: Application of BTA Oil Producers, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. BTA Oil Producers, LLC seeks an order approving a 160.11-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 4, SW/4 NW/4, and W/2 SW/4 (the W/2 W/2) of Section 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to the **Rock Lake 7404 Well No. 1H**, a horizontal well with a surface location in Lot 4, and a terminus in the SW/4 SW/4, of Section 4. 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 18-1/2 miles southwest of Eunice, New Mexico.

Case No. 16176: Application of DGP Energy, LLC for approval of a unit agreement, Lea County, New Mexico; Applicant seeks approval of the Unit Agreement for the Gold Cougar Unit Area, comprising 1,280 acres of state and fee lands comprising:

Township 15 South, Range 36 East, N.M.P.M.

Section 11: All

Section 13: W/2 NW/4

Section 14: N/2, N/2 SW/4, and SE/4

The proposed unit area is centered approximately 7 miles north-northeast of Lovington, New Mexico.

Case No. 16177: Application of DGP Energy, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. DGP Energy, LLC seeks an order approving a 240-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 E/2 of Section 19 and the E/2 SE/4 of Section 18, Township 16 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the E/2 E/2 of Section 19 and the E/2 SE/4 of Section 18. The unit will be dedicated to the **Golden Wolf 1918 Well No. 6H**, a horizontal well with a surface location in the SE/4 SW/4 of Section 19, and a terminus in the NE/4 SE/4 of Section 18. 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 well. The unit is located approximately 8-1/2 miles west-southwest of Lovington, New Mexico.

Case No. 16178: Application of Matador Production Company for a non-standard oil spacing and proration unit, an unorthodox well location, and compulsory pooling, Lea County, New Mexico.

Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 E/2 of Section 18, Township 25 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Biggers Fed. Com. Well No. 203H**, a horizontal well with a surface location in the SE/4 SE/4, a first take point 330 feet from the south line and 1346 feet from the east line, and a last take point 330 feet from the north line and 1349 feet from the east line, of Section 18. 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 12 miles west of Jal, New Mexico.

Case No. 16179: Application of Matador Production Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.

Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 E/2 of Section 18, Township 25 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Biggers Fed. Com. Well No. 214H**, a horizontal well with a surface location in SE/4 SE/4, and a terminus in NE/4 NE/4, of Section 18. 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 12 miles west of Jal, New Mexico.

Case No. 16180: Application of Matador Production Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.

Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 E/2 of Section 18, Township 25 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Biggers Fed. Com. Well No. 217H**, a horizontal well with a surface location in SE/4 SE/4, and a terminus in NW/4 NE/4, of Section 18. 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 12 miles west of Jal, New Mexico.

Case No. 16181: Application of Matador Production Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.

Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 W/2 of Section 17, Township 25 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to (i) the **Leslie Fed. Com. Well No. 201H**, and (ii) the **Leslie Fed. Com. Well No. 215H**. Both wells are horizontal wells with surface locations in SW/4 SW/4, and bottomhole locations in NW/4 NW/4, of Section 17. 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 11-1/2 miles west-northwest of Jal, New Mexico.

Case No. 16182: Application of Matador Production Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 W/2 of Section 17, Township 25 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Leslie Fed. Com. Well No. 202H**, a horizontal well with a surface location in SE/4 SW/4, and a terminus in NE/4 NW/4, of Section 17. 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 11-1/2 miles west-northwest of Jal, New Mexico.

Case No. 16183: Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2 N/2 of Section 24 and the S/2 N/2 of Section 23, Township 18 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to the **Virgo 24/23 B2HE Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SE/4 NE/4 of Section 24, and a terminus in the SW/4 NW/4 of Section 23. 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 6-1/2 miles south-southeast of Loco Hills, New Mexico.

Case No. 16184: Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2 S/2 of Section 24 and the N/2 S/2 of Section 23, Township 18 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to the **Virgo 24/23 B2IL Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NE/4 SE/4 of Section 24, and a terminus in the NW/4 SW/4 of Section 23. 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 6-1/2 miles south-southeast of Loco Hills, New Mexico.

Case No. 16185: Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 240-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2 NW/4 of Section 29 and the N/2 N/2 of Section 30, Township 18 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to the **Pavo Frio 29/30 B2CD Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NW/4 NE/4 of Section 29, and a terminus in the NW/4 NW/4 of Section 30. 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 10 miles southwest of Loco Hills, New Mexico.

Case No. 16186: Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 240-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2 NW/4 of Section 29 and the S/2 N/2 of Section 30, Township 18 South,

Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to the **Pavo Frio 29/30 B2FE Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SW/4 NE/4 of Section 29, and a terminus in the SW/4 NW/4 of Section 30. 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 10 miles southwest of Loco Hills, New Mexico.

Case No. 16187: Application of Centennial Resource Production, 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 238.5-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Irregular Section 3, Township 21 South, Range 34 East, NMPM, Lea 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 applicant's proposed **Asadero 3 State Com No. 301 Well**, which will be horizontally drilled from an approved drilling location in the SW/4 SW/4 (Unit M) of Section 3 to a standard bottom hole location in the NW/4 NW/4 (Lot 4) of Section 3. The completed interval for this well is closer than 330 feet to the outer boundary of the project area than required by the statewide rules for oil wells and encroaches on the spacing units to the north and northwest. Centennial is seeking separate administrative approval for this unorthodox well location. 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 Centennial Resource Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles Southeast of Roswell, New Mexico.

Case No. 16188: 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 640-acre, more or less, spacing and proration unit comprised of the E/2 of Section 5 and the E/2 of Section 8, Township 26 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 dedicated to applicant's proposed **Hambone Federal Com 26H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 8 to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 5. 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 COG Operating LLC 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 Malaga, New Mexico.

Case No. 16189: 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 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 5 and the E/2 W/2 of Section 8, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Sand formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Hambone Federal Com 27H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 8 to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 5. 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 COG Operating LLC 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 Malaga, New Mexico.

Case No. 16190: 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 320-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 5 and the W/2 W/2 of Section 8, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Sand formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Hambone Federal Com 28H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 8 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 5. 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 COG Operating LLC 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 Malaga, New Mexico

Case No. 16191: 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 320-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 5 and the W/2 E/2 of Section 8, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Sand formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Hambone Federal Com 29H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 8 to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 5. 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 COG Operating LLC 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 Malaga, New Mexico.

Case No. 16192: 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 320-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 5 and the E/2 E/2 of Section 8, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Sand formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Hambone Federal Com 30H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 8 to a standard bottom hole location in the NE/4 NE/4 (Unit A) of Section 5. 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 COG Operating LLC 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 Malaga, New Mexico.

Case No. 16193: Application of Hilcorp Energy Company to Amend the Well Density Requirements and Administrative Exceptions of the Special Rules for the Blanco-Mesaverde Gas Pool to Permit Administrative Approval for Well Density Exceptions, Rio Arriba and San Juan Counties, New Mexico. Applicant seeks to amend the Well Density Requirements and Administrative Exceptions of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319) to permit administrative approval for well density exceptions and to require notice only to affected parties where ownership is not common between an adjoining spacing unit and the spacing unit containing the proposed additional simultaneous dedication within the Blanco-Mesaverde Gas Pool.

Case No. 16194: 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, San Juan 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 six Mesaverde gas wells in the same standard 318.47-acre, more or less, spacing and proration unit, four wells within the same quarter section, and two wells within the same quarter-quarter section. Hilcorp further seeks approval for the proposed location of the **Bruington Gas Com C 001R** (API No. 30-045-33532) with a surface location in Unit D and the **Bruington Gas Com C 004** (API No. 30-045-32541) with a surface location in Unit F in the Mesaverde formation within the W/2 of Section 21, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Bruington Gas Com C 001R Well and the Bruington Gas Com C 004 from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

Case No. 16195: 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, San Juan 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 320-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 **Choke Cherry Canyon 001** (API No. 30-045-10842) in the Mesaverde formation with a surface location in Unit P of the E/2 of Section 9, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Choke Cherry Canyon 001 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

Case No. 16196: 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, San Juan 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 305.96-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 **Davis 8R** (API No. 30-045-30417) in the Mesaverde formation with a surface location in Unit J of the E/2 of Section 11, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Davis 8R Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

Case No. 16197: 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, San Juan 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 314.22-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 **Pierce A 004 Well** (API No. 30-045-26597) in the Mesaverde formation with a surface location in Unit P of the S/2 of Section 13, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Pierce A 004 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

Case No. 16198: 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, San Juan 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 318.22-acre, more or less, spacing and proration unit, three wells within the same quarter section, and two wells within the same quarter-quarter section. Hilcorp further seeks approval for the proposed location of the **Riddle B 010E Well** (API No. 30-045-26401) in the Mesaverde formation with a surface location in Unit F of the E/2 of Section 27, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Riddle B 010E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

Case No. 16199: 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, San Juan 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 three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Riddle B 005E Well** (API No. 30-045-26513) in the Mesaverde formation with a surface location in Unit F of the E/2 of Section 23, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Riddle B 005E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

Case No. 16200: 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, San Juan 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 315.56-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 **Riddle B 011E Well** (API No. 30-045-25491) in the Mesaverde formation with a surface location in Unit F of the W/2 of Section 23, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Riddle B 011E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

Case No. 16201: 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, San Juan 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 320-acre, more or less, spacing and proration unit, three wells within the same quarter section, and two wells within the same quarter-quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-6 Unit 205E** (API No. 30-039-30120) in the Mesaverde formation with a surface location in Unit A of the E/2 of Section 9, Township 27 North, Range 6 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-6 Unit 205E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

Case No. 16202: 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, San Juan 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 321.08-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 133** (API No. 30-039-20584) in the Mesaverde formation with a surface location in Unit B of the E/2 of Section 4, Township 27 North, Range 6 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-6 Unit 133 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

Case No. 16203: 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, San Juan 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 320-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 **State Gas Com BB 004** (API No. 30-045-33144) in the Mesaverde formation with a surface location in Unit L of the S/2 of Section 16, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the State Gas Com BB 004 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

Case No. 16204: 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, San Juan 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 320.40-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 **Zella Calloway 001** (API No. 30-045-09977) in the Mesaverde formation with a surface location in Unit A of the N/2 of Section 3, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Zella Calloway 001 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

Case No. 16205: Application of Goodnight Midstream Permian, LLC for a Salt Water Disposal Well and Authorization to Inject Through Its Proposed Snyder 28 SWD No. 1 Well, Lea County, New Mexico. Applicant in the above-styled cause seeks an order authorizing injection of produced water for disposal purposes through its proposed **Snyder 28 SWD No. 1 Well** (API No. 30-025-44386), with a surface location 2402 feet from the north line and 1911 feet from the west line (Unit F) of Section 28, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico. The maximum proposed daily injection rate will be approximately 20,000 barrels per day with an average daily injection rate of approximately 15,000 barrels per day. The proposed injection will occur within the SWD; San Andres-Glorieta Pool (96127) at a depth of approximately 5,200 feet to 6,500 feet deep. The maximum injection pressure will be 1040 psi. Said well is located approximately 3 miles southwest of Oil Center, New Mexico.

Case No. 16206. Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against D.J. Simmons Company Limited Partnership, for Wells Operated in San Juan 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 D. J. Simmons, 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 3rd day of May, 2018.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

**Heather Riley
Director, Oil Conservation Division**

S E A L