

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 **June 14, 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 **June 4, 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. 16207: 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 NE/4 of Section 29 and the S/2 N/2 of Section 28, 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 29/28 B2GH 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 SE/4 NE/4 of Section 28. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9-1/2 miles southwest of Loco Hills, New Mexico.

Case No. 16208: 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 E/2 of Section 25 and the E/2 of Section 36, Township 23 South, Range 26 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 (i) the **Ghostrider 25/36 W0AP Fed. Com. Well No. 1H**, and (ii) the **Ghostrider 25/36 W0AP Fed. Com. Well No. 2H**. Both wells are horizontal wells with surface locations in the NE/4 NE/4 of Section 25, and bottomhole locations in the SE/4 SE/4 of Section 36. 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 8-1/2 miles west-southwest of Loving, New Mexico.

Case No. 16209: Application of Matador Production Company for a non-standard 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 Bone Spring formation comprised of the W/2 W/2 of Section 9, Township 20 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Coach Joe Fed. Com. Well No. 121H**, a horizontal well with a surface location in the NW/4 NW/4, and a terminus in the SW/4 SW/4, of Section 9. The producing interval 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 13-1/2 miles northwest of Oil Center, New Mexico.

Case No. 16210: Application of Matador Production Company for a non-standard 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 Bone Spring formation comprised of the E/2 W/2 of Section 9, Township 20 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Coach Joe Fed. Com. Well No. 122H**, a horizontal well with a surface location in the NE/4 NW/4, and a terminus in the SE/4 SW/4, of Section 9. The producing interval 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 13 miles northwest of Oil Center, New Mexico.

Case No. 16211: Application of Matador Production Company for a non-standard 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 Bone Spring formation comprised of the W/2 E/2 of Section 7, Township 22 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Gains Baty State Com. Well No. 113H**, a horizontal well with a surface location in the NW/4 NE/4, and a terminus in the SW/4 SE/4, of Section 7. The producing interval 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 10-1/2 miles southwest of Oil Center, New Mexico.

Case No. 16212: Application of Matador Production Company for a non-standard 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 Bone Spring formation comprised of the E/2 E/2 of Section 7, Township 22 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Gains Baty State Com. Well No. 114H**, a horizontal well with a surface location in the NE/4 NE/4, and a terminus in the SE/4 SE/4, of Section 7. The producing interval 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 10 miles southwest of Oil Center, New Mexico.

Case No. 16051: Amended Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) pooling all mineral interests in the

Wolfcamp formation underlying the standard 320-acre, more or less, spacing and proration unit comprised of the S/2 of Section 5, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. This proposed standard spacing and proration unit will be the project area for the **Hambone Federal 26-29-5 WB 3H, Hambone Federal 26-29-5 WD 4H wells, Hambone Federal 26-29-5 WXY 5H, Hambone Federal 26-29-5 WB 7H, Hambone Federal 26-29-5 WD 8H, and Hambone Federal 26-29-5 WD 11H** wells to be horizontally drilled. The producing area 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 11.5 miles south of Malaga, New Mexico.

Case No. 16213: Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the N/2 S/2 of Section 5, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Hambone Federal 26-29-5 TB 9H and Hambone Federal 26-29-5 SB 10H** wells, to be horizontally drilled. The producing area 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 well, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 11.5 miles south of Malaga, New Mexico.

Case No. 16214: Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 240-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Section 36 and the E/2 SE/4 of Section 25, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Southern Comfort State 24-28-25 TB 6H** 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 3 miles south of Malaga, New Mexico.

Case No. 16215: Application of OneEnergy Partners, 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 160-acre ± oil spacing and proration unit in the Wolfcamp formation comprised of the W/2 W/2 (Lot 4, SW/4 NW/4, W/2 SW/4) of Section 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Georgetown WCA Fed Com 1H** well to be drilled from an approximate surface location 250 feet from the north line and 1,270 feet from the west line to a bottomhole location 380 feet from the south line and 660 feet from the west line of Section 4, Township 24 South, Range 35 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 18½ miles southwest of Eunice, New Mexico.

Case No. 16216: Application of Devon Energy Production Company L.P. 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 comprised of the E/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests

in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Gaicho 21 Fed 6H well** to be drilled from an approximate surface location 175 feet from the south line and 185 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 380 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately $\frac{3}{4}$ mile west of the intersection of Highway 32 and San Simon Road.

Case No. 16217: Application of Devon Energy Production Company L.P. 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 comprised of the W/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation, underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Gaicho 21 Fed 7H well** to be drilled from an approximate surface location 326 feet from the south line and 545 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 1580 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately $\frac{3}{4}$ mile west of the intersection of Highway 32 and San Simon Road.

Case No. 16218: Application of Devon Energy Production Company, L.P. for a Non-Standard Spacing and Proration Unit, Unorthodox Well Locations and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard spacing and proration unit comprised of the E/2 SE/4 of Section 23, the E/2 E/2 of Section 26, Lot 1 of Section 35, and the NE/4 NE/4 of Section 35, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp and Bone Spring formations underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Mean Green 23-35 Fed Com 1H, Mean Green 23-35 Fed Com 2H, Mean Green 23-35 Fed Com 3H and Mean Green 23-35 Fed Com 4H wells**. Also to be considered will be unorthodox locations for two of the wells, the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 15 miles southwest of Jal, New Mexico.

Case No. 16219: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 30 and the E/2 W/2 of Section 31, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfbone Pool underlying this acreage. Said non-standard unit is to be a project area for five proposed initial wells, to be drilled and completed simultaneously: the **Fascinator Fed Com No. 601H Well, Fascinator Fed Com No. 602H Well, Fascinator Fed Com No. 701H Well, Fascinator Fed Com No. 702H Well, and Fascinator Fed Com No. 703H Well**. These wells will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 30 to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 31. The completed intervals for the **Fascinator Fed Com No. 601H Well, Fascinator Fed Com No. 701H Well, and Fascinator Fed Com No. 702H Well** will remain within the 330-foot offset as required by the Statewide rules for oil wells. The completed interval for the **Fascinator Fed Com No. 602H Well and Fascinator Fed Com No. 703H Well** will be unorthodox. COG has applied administratively for approval of an unorthodox location for the **Fascinator Fed Com No. 602H Well and Fascinator Fed Com No. 703H Well**. Also to be considered will be the timing of the drilling and completion of said wells, 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 COG Operating LLC as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 13 miles northwest of Jal, New Mexico.

Case No. 16220: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 30 and the W/2 W/2 of Section 31, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfbone Pool underlying this acreage. Said non-standard unit is to be a project area for five proposed initial wells, to be drilled and completed simultaneously: the **Fascinator Fed Com No. 603H Well, Fascinator Fed Com No. 604H Well, Fascinator Fed Com No. 704H Well, Fascinator Fed Com No. 705H Well, and Fascinator Fed Com No. 706H Well.** These wells will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 30 to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 31. The completed intervals for the **Fascinator Fed Com No. 603H Well, Fascinator Fed Com No. 604H Well, Fascinator Fed Com No. 705H Well, and the Fascinator Fed Com No. 706H Well** will remain within the 330-foot offset as required by the Statewide rules for oil wells. The completed interval for the **Fascinator Fed Com No. 704H Well** will be unorthodox. COG has applied administratively for approval of an unorthodox location for the **Fascinator Fed Com No. 704H Well.** Also to be considered will be the timing of the drilling and completion of said wells, 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 COG Operating LLC as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 13 miles northwest of Jal, New Mexico.

Case No. 16221: 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 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; 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 **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 330-foot standard offset required by the 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 EOG Resources, Inc. as operator of the well 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. 16222: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Fulcher Kutz-Pictured Cliffs 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 the Special Rules and Regulations for the Fulcher Kutz-Pictured Cliffs Gas Pool, San Juan County, New Mexico, to permit two Pictured Cliffs gas wells in the same standard 160-acre, more or less, spacing and proration unit, comprised of the NW/4 of Section 23, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico and is currently dedicated to the **J C Gordon C 1 Well** (API No. 30-045-13237). Applicant further seeks approval for the existing location of the **J C Gordon D 3E Well** (API No. 30-045-24726) in the Pictured Cliffs formation with a surface location in Unit C of said Section 23 and authorization to simultaneously recompleat and produce the **J C Gordon D 3E Well** from the Fulcher Kutz-Pictured Cliffs Gas Pool. Said area is located approximately 12 miles southeast of Bloomfield, NM

Case No. 16223: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Aztec-Pictured Cliffs 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 the Special Rules and Regulations for the Aztec-Pictured Cliffs Gas Pool, San Juan County, New Mexico, to permit three Pictured Cliffs gas wells in the same non-standard 205.08-acre, more or less, spacing and proration unit, comprised of Lots 1-3 and the SE/4 SW/4 and S/2 SE/4 of irregular Section 8, Township 28 North, Range 9 West, NMPM, San Juan County, New Mexico which is currently dedicated to the **Reid 11 Well** (API No. 30-045-07536). Applicant further seeks approval for the existing location of the **Reid 22M Well** (API No. 30-045-35359) with a surface location in Unit M and a bottom hole location in Unit N, Section 8, Township 28 North, Range 9 West, NMPM, and the **Jackson Com 1E Well** (API No. 30-045-25592) with a surface and bottom hole location in Lot 1, Section 8, Township 28 North, Range 9 West, NMPM, in the Pictured Cliffs formation and authorization to simultaneously recomplete and produce the **Reid 22M Well** and the **Jackson Com 1E Well** from the Aztec-Pictured Cliffs Gas Pool. Said area is located approximately 4 miles south of Blanco, NM

Case No. 16224: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the South Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico. Applicant in the above-styled cause seeks an order for an exception to the well density requirements of the Special Rules and Regulations for the South Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico, to permit three Pictured Cliffs gas wells in a standard 320-acre, more or less, spacing and proration unit. This standard spacing and proration unit is comprised of Lots 7 and 8 and the S/2 NW/4 and SW/4 of Section 5, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico and is currently dedicated to the **San Juan 29-7 Unit No. 168 Well** (API No. 30-039-26652) and the **San Juan 29-7 Unit No. 159 Well** (API No. 30-039-25856). Applicant seeks approval to dedicate to this standard spacing and proration unit the **San Juan 29-7 Unit No. 79M Well** (API No. 30-039-29972) in the South-Blanco-Pictured Cliffs Pool. Said area is located approximately 13 miles east of Blanco, NM.

Case No. 16225: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the South Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico. Applicant in the above-styled cause seeks an order for an exception to the well density requirements of the Special Rules and Regulations for the South Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico, to permit three Pictured Cliffs gas wells in a standard 320-acre, more or less, spacing and proration unit. This standard spacing and proration unit is comprised of the W/2 of Section 16, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico and is currently dedicated to the **San Juan 29-7 Unit No. 181 Well** (API No. 30-039-26995) and the **San Juan 29-7 Unit No. 92 Well** (API No. 30-039-07600). Applicant seeks approval to dedicate this standard spacing and proration unit to the **San Juan 29-7 Unit No. 92B Well** (API No. 30-039-07600) in the South-Blanco-Pictured Cliffs Pool. Said area is located approximately 14 miles east of Blanco, NM.

Case No. 16226: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the South Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico. Applicant in the above-styled cause seeks an order for an exception to the well density requirements of the Special Rules and Regulations for the South Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico, to permit three Pictured Cliffs gas wells in a non-standard 314.93-acre, more or less, spacing and proration unit. This non-standard spacing and proration unit is comprised of Lots 8 and 9 and the S/2 NE/4 and SE/4 of Section 6, Township 29 North, Range 7 West, Rio Arriba County, New Mexico and is currently dedicated to the **San Juan 29-7 Unit No. 584 Well** (API No. 30-039-25654) and the **San Juan 29-7 Unit No. 170 Well** (API No. 30-039-26745). Applicant seeks approval to dedicate to this non-standard spacing and proration unit the **San Juan 29-7 Unit 46B Well** (API No. 30-039-26142) in the South-Blanco-Pictured Cliffs Pool. Said area is located approximately 12 miles east of Blanco, NM

Case No. 16227: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Aztec-Pictured Cliffs 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 the Special Rules and Regulations for the Aztec-Pictured Cliffs Gas Pool, San Juan County, New Mexico, to permit three Pictured Cliffs gas wells in the same non-standard 202.82-acre, more or less, spacing and proration unit, comprised of Lots 2-4 and the S/2 SW/4 and SW/4 SE/4 of irregular Section 12, Township 28 North, Range 10 West, San Juan County, New Mexico and is currently dedicated to the **Zachry 1R Well** (API No. 30-045-29559) and the **Zachry 1 Well** (API No. 30-045-07566). Applicant further seeks approval for the existing location of the **Zachry 19E Well** (API No. 30-045-24357) in the Pictured Cliffs formation with a surface location in Unit O of said Section 12 and authorization to simultaneously recomplete and produce the **Zachry 19E Well** from the Aztec-Pictured Cliffs Gas Pool. Said area is located approximately 8 miles southeast of Bloomfield, NM

Case No. 16228: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Tandem Energy Corporation, for Wells Operated in Eddy and Lea Counties, 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 Tandem Energy Corporation, (“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 18th day of May, 2018.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

**Heather Riley
Director, Oil Conservation Division**

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