

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 **July 12, 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 **July 2, 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. 16262

Application of Chisholm Energy Operating, LLC for an unorthodox well location, 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 324.81-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 1 and the E/2 W/2 of Section 12, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico; (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage; and (3) approving the proposed unorthodox well location. Said non-standard unit is to be dedicated to applicant's proposed **Buffalo 12-1 Fed Com 2BS No. 1H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 12 to a bottom hole location in the NE/4 NW/4 (Lot 3) of Section 1. The completed interval for this well will be at an unorthodox location because it is closer to the northwestern and western boundaries of the spacing and proration unit than allowed by the statewide rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles southwest of Lovington, New Mexico.

Case No. 16263

Application of Chisholm Energy Operating, LLC for an unorthodox well location, 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 E/2 of Section 24 and the E/2 E/2 of Section 25, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico; (2) pooling all uncommitted interests in the Bone Spring

formation underlying this acreage; and (3) approving the proposed unorthodox well location. Said non-standard unit is to be dedicated to applicant's proposed **Diamondback 24-25 Fed Com 2BS No. 2H Well** and **Diamondback 24-25 Fed Com 1BS No. 3H Well**, which will be horizontally drilled from surface locations in the NE/4 NE/4 (Unit A) of Section 24 to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 25. This project area is located within the Tonto; Bone Spring Pool (No. 59475). The completed interval for the **Diamondback 24-25 Fed Com 1BS No. 3H Well** will remain within the 330-foot standard offset required by the Division's rules. The completed interval for the **Diamondback 24-25 Fed Com 2BS No. 2H Well** will be at an unorthodox location because it is closer to the western and southwestern boundary of the proposed spacing and proration unit than allowed by the statewide rules. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 35 miles northwest of Carlsbad, New Mexico.

Case No. 16264

Application of Chisholm Energy 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 E/2 of Section 24 and the W/2 E/2 of Section 25, Township 19 South, Range 32 East, NMPM, Lea 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 **Diamondback 24-25 Fed Com 2BS No. 1H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 24 to a standard bottom hole location in the SW/4 SE/4 (Unit O) of Section 25. This project area is located within the Tonto; Bone Spring Pool (No. 59475). The completed interval for the 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 Chisholm Energy Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 35 miles northwest of Carlsbad, New Mexico.

Case No. 16265

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 240-acre, more or less, spacing and proration unit comprised of the E/2 SE/4 of Section 1 and E/2 E/2 of Section 12, Township 23 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 **Duck Hunt State Com No. 601H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 1 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 12. The completed interval for this well will be at an unorthodox location because it is closer to the southern and southeastern boundaries of the proposed spacing and proration unit than allowed by the statewide rules. 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 18 miles southwest of Eunice, New Mexico.

Case No. 16266

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 240-acre, more or less, spacing and proration unit comprised of the W/2 SE/4 of Section 1 and W/2 E/2 of Section 12, Township 23 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 **Duck Hunt State Com No. 602H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 1 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 12. The completed interval for this well will be at an unorthodox location because it is closer to the southern and southeastern boundaries of the proposed spacing and proration unit than allowed by the statewide rules. 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 18 miles southwest of Eunice, New Mexico.

Case No. 16267

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 306.40-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 **Vasaly 002** (API No. 30-045-20328) in the Mesaverde formation with a surface location in Unit K of the W/2 of Section 31, Township 32 North, Range 11 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Vasaly 002 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 16 miles northwest of Bloomfield, NM.

Case No. 16268

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 311.39-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 013E** (API No. 30-045-24018) in the Mesaverde formation with a surface location in Unit L of the W/2 of Section 1, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Davis 013E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 15 miles northwest of Bloomfield, NM.

Case No. 16269

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 **Dusenberry 003** (API No. 30-045-11042) in the Mesaverde formation with a surface location in Unit I of the E/2 of Section 1, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Dusenberry 003 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 15 miles northwest of Bloomfield, NM.

Case No. 16270

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 **Mansfield 011** (API No. 30-045-20992) in the Mesaverde formation with a surface location in Unit N of the W/2 of Section 29, Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Mansfield 011 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 11 miles northeast of Bloomfield, NM.

Case No. 16271

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 **Hubbard Com 001** (API No. 30-045-11827) in the Mesaverde formation with a surface location in Unit I of the S/2 of Section 25, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Hubbard Com 001 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 17 miles northwest of Bloomfield, NM.

Case No. 16272

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 **Newberry A 004** (API No. 30-045-12185) in the Mesaverde formation with a surface location in Unit J of the E/2 of Section 34, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Newberry A 004 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 16 miles northwest of Bloomfield, NM.

Case No. 16273

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 four 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 **Day State 002E** (API No. 30-045-25008) in the Mesaverde formation with a surface location in Unit H of the N/2 of Section 32, Township 32 North, Range 11 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Day State 002E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 16 miles northwest of Bloomfield, NM.

Case No. 16274

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 or six Mesaverde gas wells in the same standard 320-acre, more or less, spacing and proration unit, and three wells within the same two quarter sections. Hilcorp further seeks approval for the proposed location of the **Newberry B 001** (API No. 30-045-12186), with a surface location in Unit C, and **Newberry B 001E** (API No. 30-045-24924), with a surface location in Unit M, both in the Mesaverde formation with surface locations in the W/2 of Section 35, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Newberry B 001 Well and Newberry B 001E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 17 miles northwest of Bloomfield, NM.

Case No. 16275

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 **Moore 001E** (API No. 30-045-25695) in the Mesaverde formation with a surface location in Unit J of the E/2 of Section 35, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Moore 001E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 16 miles northwest of Bloomfield, NM.

Case No. 16224

Amended Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the 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 Blanco-Pictured Cliffs Pool (72359), Rio Arriba County, New Mexico, to permit an additional well within a standard spacing and proration unit. The subject acreage 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). Each of these wells are located in separate quarter sections and producing from the Blanco-Pictured Cliffs Pool. Applicant seeks approval to add a third well, the **San Juan 29-7 Unit No. 79M Well** (API No. 30-039-29972), in the Blanco Pictured Cliffs Pool underlying this acreage. Said area is located approximately 13 miles east of Blanco, NM.

Case No. 16225

Amended Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the 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 Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico, to an additional well within a standard spacing and proration unit. The subject acreage 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). Each of these wells are located in separate quarter sections and producing from the Blanco-Pictured Cliffs Pool. Applicant seeks approval to add a third well, the **San Juan 29-7 Unit No. 92B Well** (API No. 30-039-07600), in the Blanco-Pictured Cliffs Pool underlying this acreage. Said area is located approximately 14 miles east of Blanco, NM.

Case No. 16226

Amended Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the 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 Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico, to permit an additional well within a standard spacing and proration unit. The subject acreage 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). Each of these wells are located in separate quarter sections and producing from the Blanco-Pictured Cliffs Pool. Applicant seeks approval to add a third well, the **San Juan 29-7 Unit 46B Well** (API No. 30-039-26142), in the Blanco-Pictured Cliffs Pool underlying this acreage. Said area is located approximately 12 miles east of Blanco, NM.

Case No. 16276

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 240-acre ± oil spacing and proration unit in the Wolfcamp formation comprised of the E/2 SE/4 of Section 13 and E/2 E/2 of Section 24, Township 25 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 **Donkey Kong Fed Com 1H** well to be drilled from an approximate surface location 2263 feet from the south line and 328 feet from the east line of Section 13 to a bottomhole location 380 feet from the south line and 380 feet from the east line of Section 24, Township 25 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 1.1 miles south of Custer Mountain, New Mexico.

Case No. 16278

Application of M & M Energy, LLC for pool creation, a discovery allowable, and special pool rules, Lea County, New Mexico. M & M Energy, LLC seeks an order (i) creating a new pool for oil production from the Yates-Seven Rivers-Queen formation, to be named the North Urssey Tank-Yates Seven Rivers Pool, comprising the NE/4 of Section 26, Township 21 South, Range 35 East, NMPM, (ii) granting applicant a discovery allowable, and (iii) establishing special rules and regulations for the pool, including a special depth bracket allowable of 1200 barrels of oil per day, effective as of May 1, 2018. The discovery well for the pool is the State 26 Well No. 1, located 601 feet from the north line and 2018 feet from the east line of Section 26. The proposed pool is located approximately 5 mile southwest of Oil Center, New Mexico.

Case No. 16279

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 200-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the SE/4SW/4 and S/2SE/4 of Section 11 and the S/2SW/4 of Section 12, Township 19 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 Sapphire 11/12 B2NN State Com. Well No. 1H and the Sapphire 11/12 B3NN State Com. Well No. 2H, horizontal wells with surface locations in the SE/4SW/4 of Section 11, and bottomhole locations in the SE/4SW/4 of Section 12. 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 south-southwest of Loco Hills, New Mexico.

Case No. 16280

Application of Forty Acres Energy, LLC to remove Apache Corporation as operator of seven wells in the West Eumont Unit, Lea County, New Mexico. Applicant seeks an order removing Apache Corporation as operator of the wells described below, and approving applicant as operator of the wells:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
State WE F Well No. 1	30-025-03382	Unit F §1-21S-35E
State WE F Well No. 2	30-025-03383	Unit C §1-21S-35E
State WE F Well No. 3	30-025-03384	Unit C §1-21S-35E
State WE F Well No. 4	30-025-26549	Unit K §1-21S-35E
State WE A Well No. 2	30-025-03447	Unit C §12-21S-35E
State WE A Well No. 1	30-025-08561	Unit F §12-21S-35E
State WE A Well No. 4	30-025-26550	Unit F §12-21S-35E

The wells are in the West Eumont Unit, a waterflood unit approved by the Division under the Statutory Unitization Act. The wells in Section 1 are located approximately 4 miles northwest of Otis, New Mexico, and the wells in Section 12 are located approximately 3-1/2 miles west of Oil Center, New Mexico

Case No. 16281

Application of Novo Oil & Gas, 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 creating a 279.42-acre non-standard spacing unit and proration unit (project area) in the Bone Spring formation comprised of Lots 1 – 4 (N/2N/2) of Section 6 and Lots 2, 3 and 4 (N/2NW/4 and NW/4NE/4) of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 1 5 23S 29E 2B #1H well** which will be horizontally drilled from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NW/4NE/4 of Section 5, Township 23 South, Range 29 East. The producing interval will be orthodox. 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 applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

Case No. 16282

Application of Novo Oil & Gas, 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 creating a 320-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2S/2 of Section 4 and S/2S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 6 4 23S 29E 3B #1H well** which will be horizontally drilled from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East. The producing interval will be orthodox. 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 applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

Case No. 16283

Application of Novo Oil & Gas, 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 creating a 320-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the

N/2S/2 of Section 4 and N/2S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 6 4 23S 29E 3B #2H well** which will be horizontally drilled from a surface location in the NE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the NW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the NE/4SE/4 of Section 4, Township 23 South, Range 29 East. The producing interval will be orthodox. 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 applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

Case No. 16284

Application of Novo Oil & Gas, 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 creating a 320.36-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the Lot 1 (NE/4NE/4), SE/4NE/4 and E/2SE/4 of Section 5 and E/2E/2 of Section 8, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 5 8 23S 29E 2B #1H well** which will be horizontally drilled from a surface location in the NE/4NE/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 8, Township 23 South, Range 29 East. The producing interval will be orthodox. 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 applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

Case No. 16285

Application of Novo Oil & Gas, 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 creating a 636.30-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the N/2 of Section 5 and N/2 of Section 6, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 1 5 WB 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NE/4NE/4 of Section 5, Township 23 South, Range 29 East, and the **Rana Salada Fed Com 1 5 WXY 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NE/4NE/4 of Section 5, Township 23 South, Range 29 East. 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 applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

Case No. 16286

Application of Novo Oil & Gas, 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 creating a 640-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the S/2 of Section 4 and S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com**

6 4 WB 1H well which will be horizontally drilled to test the Wolfcamp formation from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East, and the **Rana Salada Fed Com 6 4 WXY 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East. 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 applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

Case No. 16287

Application of Apache Corporation 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 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the S/2 S/2 of Section 21, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Palmillo 21 State Com #225H 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 Apache as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northeast of Carlsbad, New Mexico.

Case No. 16288

Application of Apache Corporation 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 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the N/2 S/2 of Section 21, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Palmillo 21 State Com #226H 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 Apache as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northeast of Carlsbad, New Mexico.

Case No. 16289

Application of Apache Corporation 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 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the S/2 N/2 of Section 21, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Palmillo 21 State Com #227H 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 Apache as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northeast of Carlsbad, New Mexico.

Case No. 16290

Application of Apache Corporation 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 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the N/2 N/2 of Section

21, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Palmillo 21 State Com #228H 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 Apache as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northeast of Carlsbad, New Mexico.

Case No. 16291

Application of Cimarex Energy Co. of Colorado 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 640-acre, more or less, spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Sections 11 and 14, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Bradley 14-11 Federal Com 1H well**, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles southwest of Loving, New Mexico.

Case No. 16292

Application of Cimarex Energy Co. of Colorado 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 640-acre, more or less, spacing and proration unit in the Wolfcamp formation, comprised of the E/2 of Sections 3 and 10, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Cherry Hills 10-3 Federal Com 1H well**, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles southwest of Loving, New Mexico.

Case No. 16293

Application of Cimarex Energy Co. for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the W/4 of Sections 11 and 14, Township 24 South, Range 27 East, NMPM, Lea 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 **Dos Equis 11-14 Federal Com 4H well**, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 26 miles southwest of Hobbs, New Mexico.

Case No. 16294

Application of Cimarex Energy Co. for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/4 of Section 21, Township 19 South, Range 34 East, NMPM, Lea 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 **Mescalero Ridge 21 Federal 1H**, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 21 miles southwest of Hobbs, New Mexico.

Case No. 16295

Application of Cimarex Energy Co. for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 320-acre, more or less, oil spacing and proration unit in the Wolfcamp formation, comprised of the E/4 of Sections 32, Township 25 South, Range 33 East and E/4 of Section 5, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp 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 **Red Hills Unit 127H**, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles west of Jal, New Mexico.

Case No. 16298

Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit in covering the E/2 of Section 1, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed standard spacing and proration unit. This proposed standard spacing and proration unit will be the unit for the **Whistle Pig 25-28-1 WA 4H** and **Whistle Pig 25-28-1 WXY 9H** 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 8 miles southeast of Malaga, New Mexico.

Case No. 16299

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 160-acre, more or less, spacing and proration unit in covering the E/2 E/2 of Section 1, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Whistle Pig 25-28-1 TB 5H** 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 8 miles southeast of Malaga, New Mexico.

Case No. 16300

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 W/2 W/2 of Section 29, Township 23 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 **Zeus Fee 23 28 29 SB 13H** well, to be horizontally drilled. Alternatively, if the Division finds that development using 1.5 mile laterals is preferable, Marathon seeks an order from the Division: (1) creating

a 240 acre non-standard spacing and proration unit comprised of the W/2 W/2 of Section 29 and the W/2 NW/4 of Section 32, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interest in the Bone Spring formation underlying this acreage. This alternative proposed non-standard spacing and proration unit will contain federal acreage and, as a result, the wells will be named the **Zeus Federal 23 28 29 SB 13H**. The producing area for the 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 wells. Said area is located approximately 2 miles southwest of Loving, New Mexico.

Case No. 16076

Amended Application of Marathon Oil Permian LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: pooling all mineral interests in the Wolfcamp formation underlying the standard 320-acre, more or less, spacing and proration unit comprised of the W/2 of Section 29, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. This proposed standard spacing and proration unit will be the project area for the **Zeus Fee 23 28 29 WXY 12H, Zeus Fee 23 28 29 WXY 17H, Zeus Fee 23 28 29 WD 16H, Zeus Fee 23 28 29 WXY WD 11H, Zeus Fee 23 28 29 WA 14H, Zeus Fee 23 28 29 WD 18H, and Zeus Fee 23 28 29 WD 20H** wells, to be horizontally drilled. Alternatively, if the Division finds that development using 1.5 mile laterals is preferable, Marathon seeks an order from the Division: (1) creating a 480 acre non-standard spacing and proration unit comprised of the W/2 of Section 29 and the NW/4 of Section 32, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pool all uncommitted interest in the Wolfcamp formation underlying this acreage. This alternative proposed non-standard spacing and proration unit will contain federal acreage and, as a result, the wells will be named the **Zeus Federal 23 28 29 WXY 12H, Zeus Federal 23 28 29 WXY 17H, Zeus Federal 23 28 29 WD 16H, Zeus Federal 23 28 29 WXY WD 11H, Zeus Federal 23 28 29 WA 14H, Zeus Federal 23 28 29 WD 18H, and Zeus Federal 23 28 29 WD 20H**. 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 2 miles southwest of Loving, New Mexico.

Case No. 16077

Amended 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 E/2 W/2 of Section 29, Township 23 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 **Zeus Fee 23 28 29 TB 15H** and **Zeus Fee 23 28 29 SB 19H** wells, to be horizontally drilled. Alternatively, if the Division finds that development using 1.5 mile laterals is preferable, Marathon seeks an order from the Division: (1) creating a 240 acre non-standard spacing and proration unit comprised of the E/2 W/2 of Section 29 and the E/2 NW/4 of Section 32, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interest in the Bone Spring formation underlying this acreage. This alternative proposed non-standard spacing and proration unit will contain federal acreage and, as a result, the wells will be named the **Zeus Federal 23 28 29 TB 15H** and **Zeus Federal 23 28 29 SB 19H**. The producing area for the 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 2 miles southwest of Loving, New Mexico.

Case No. 16301

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 320-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Sections 16 and 21, 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 spacing and proration unit will be the unit for the **Dobro Federal 24-28-16 SB 1H** well, to be horizontally drilled. The producing area for the 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 1-1 ½ mile west of Malaga, New Mexico.

Case No. 16302

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 320-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the W/2 E/2 of Sections 16 and 21, 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 spacing and proration unit will be the unit for the **Dobro Federal 24-28-16 TB 6H and Dobro Federal 24-28-16 SB 8H** wells, to be horizontally drilled. The producing area for the 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 1-1 ½ mile west of Malaga, New Mexico.

Case No. 16303

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 640-acre, more or less, spacing and proration unit in covering the E/2 of Sections 16 and 21, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be dedicated to the **Dobro Federal 24-28-16 WXY 2H, Dobro Federal 24-28-16 WA 4H, Dobro Federal 24-28-16 WXY 9H, Dobro Federal 24-28-16 WD 3H, Dobro Federal 24-28-16 WD 5H, Dobro Federal 24-28-16 WD 7H, and Dobro Federal 24-28-16 WD 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 wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 1-1 ½ mile west of Malaga, New Mexico.

Case No. 16304

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 640-acre, more or less, spacing and proration unit in covering the S/2 of Sections 7 and 8, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Crossbow 23 27 8 WXY 2H and Crossbow 23 27 8 WA 4H** 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 8 miles southwest of Carlsbad, New Mexico.

Case No. 16305

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 160-acre, more or less, spacing and proration unit in covering the S/2 S/2 of Section 8, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Crossbow Federal 23-27-8 TB Well No. 3H**, 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 8 miles southwest of Carlsbad, New Mexico.

Case No. 16306

Application of Marathon Oil Permian LLC for approval of a non-standard spacing and proration unit, non-standard locations, and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit in covering the W/2 of Section 15, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico; (2) approving non-standard locations; and, (3) pooling all mineral interests in the Wolfcamp formation underlying this proposed standard spacing and proration unit. This proposed standard spacing and proration unit will be the unit for the **Flowmaster Fee 24-34-15 WXY 2H, Flowmaster Fee 24-34-15 WA 6H, and Flowmaster Fee 24-34-15 WA 14H** wells, to be horizontally drilled. The producing areas for these wells will contain unorthodox locations. 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 17 miles northwest of Jal, New Mexico.

Case No. 16307

Application of Marathon Oil Permian LLC for approval of non-standard locations and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit in covering the W/2 of Section 15, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico; (2) approving non-standard locations; and, (3) pooling all mineral interests in the Wolfcamp formation underlying this proposed standard spacing and proration unit. This proposed standard spacing and proration unit will be the unit for the **Flowmaster Fee 24-34-15 WD 3H** well, to be horizontally drilled. The producing areas for this well will contain unorthodox locations. 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 17 miles northwest of Jal, New Mexico.

Case No. 16308

Application of Mesquite SWD, Inc. to Amend Administrative Order SWD-1696 for a Salt Water Disposal Well in Eddy County, New Mexico. Applicant seeks an order from the Division amending Administrative Order SWD-1696 to permit an increase in the diameter of the injection tubing in its Mesa Verde SWD Well No. 3 to allow for the use of 7-inch tubing inside the surface and intermediate casings and 5 ½ inch tubing inside the liner and to increase injection rates. The subject well is located in Unit N of Section 13, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico. Said well is located approximately 30 miles east of Carlsbad, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico
on this 20th day of June 2018.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

**Heather Riley
Director**

S E A L