

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 26, 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 16, 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. 16309: Application of EOG Resources, Inc. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order (i) creating a 476.58-acre, more or less, non-standard oil spacing and proration unit (project area) comprised of the W/2 of Section 30 and the NW/4 of Section 31, Township 26 South, Range 34 East, NMPM, in Lea County, and (ii) pooling all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. The project area is to be dedicated to the **Philly 31 Fed Com #701H well**, which will be drilled from a surface hole location (“SHL”) in Lot 2 in Section 31 to a bottom hole location (“BHL”) in Lot 1 in Section 30, the **Philly 31 Fed Com #702H well**, which will be drilled from a SHL in Lot 2 in Section 31 to BHL in Lot 1 in Section 30, the **Philly 31 Fed Com #703H well**, which will be drilled from a SHL in Lot 3 in Section 31 to a BHL in Lot 1 in Section 30, and the **Philly 31 Fed Com #704H well**, which will be drilled from a SHL in Lot 3 in Section 31 to a BHL in Unit C in Section 30. The completed intervals for the wells will be unorthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost and a 200% charge for the risk involved in drilling and completing the wells. The proposed project area is located approximately twenty (20) miles southwest of Jal, New Mexico.

Case No. 16244: Amended Application of Centennial Resources Production, LLC, for compulsory pooling, non-standard spacing and proration unit, non-standard location, Lea County, New Mexico; Applicant seeks an order pooling all mineral interests within the Bone Spring Formation (Ojo Chiso Bone Spring Pool-- Pool Code **96553**) of its **Carne Asada Com State No. 301H**, non-standard spacing and proration unit and non-standard well location, with a SHL of 2240 FSL and 1780 FEL of Section 7 and a BHL of 100 FNL and 2310 FEL of Section 6, sufficient in depth to test the Bone Spring Formation at a

TVD of 9,525 feet underlying the W/2 E/2 of Section 6 and W/2 NE/4 of Section 7, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico. The well will be located approximately 13 miles southwest of Eunice, New Mexico.

Case No. 16245: Amended Application of Centennial Resources Production, LLC, for compulsory pooling, non-standard spacing and proration unit, non-standard location, Lea County, New Mexico; Applicant seeks an order pooling all mineral interests within the Bone Spring Formation (Ojo Chiso Bone Spring Pool-- Pool Code 96553) of its **Carne Asada Com State No. 501H**, non-standard spacing and proration unit and non-standard well location, with a SHL of 2090 FSL and 1780 FEL of Section 7 and a BHL of 100 FNL and 2310 FEL of Section 6, sufficient in depth to test the Bone Spring Formation at a TVD of 10,250 feet underlying the W/2 E/2 of Section 6 and W/2 NE/4 of Section 7, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico. The well will be located approximately 13 miles southwest of Eunice, New Mexico.

Case No. 16246: Amended Application of Centennial Resources Production, LLC, for compulsory pooling, non-standard spacing and proration unit, non-standard location, Lea County, New Mexico; Applicant seeks an order pooling all mineral interests within the Bone Spring Formation (Ojo Chiso Bone Spring Pool-- Pool Code 96553) of its **Carne Asada Com State No. 601H**, non-standard spacing and proration unit and non-standard well location, with a SHL of 1940 FSL and 1780 FEL of Section 7 and a BHL of 100 FNL and 2310 FEL of Section 6, sufficient in depth to test the Bone Spring Formation at a TVD of 11,050 feet underlying the W/2 E/2 of Section 6 and W/2 NE/4 of Section 7, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico. The well will be located approximately 13 miles southwest of Eunice, New Mexico.

Case No. 16310: Application of Kaiser-Francis Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Kaiser-Francis Oil Company seeks an order approving a 471.03-acre non-standard gas spacing and proration unit in the Wolfcamp formation comprised of Lots 1-4 and the E/2 W/2 (the W/2) of Section 19 and Lots 1 and 2 and the E/2 NW/4 (the NW/4) of Section 30, Township 23 South, Range 29 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Wright Fee WC Well No. 1H**, a horizontal well with a surface location in the SE/4 NW/4 of Section 30, and a terminus in the NW/4 NW/4 of Section 19. The beginning and end of 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 wells. The unit is located approximately 2-1/2 miles north of Harroun, New Mexico.

Case No. 16311: Application of Kaiser-Francis Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Kaiser-Francis Oil Company seeks an order approving a 480-acre non-standard gas spacing and proration unit in the Wolfcamp formation comprised of the E/2 of Section 19 and the NE/4 of Section 30, Township 23 South, Range 29 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Wright Fee WC Well No. 2H**, a horizontal well with a surface location in the SW/4 NE/4 of Section 30, and a terminus in the NE/4 NE/4 of Section 19. The beginning and end of 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 wells. The unit is located approximately 2-1/2 miles north of Harroun, New Mexico.

Case No. 16312: Application of Mewbourne Oil Company for a nonstandard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 480-acre non-standard spacing and proration unit in the Wolfcamp formation comprised of the SW/4 of

Section 21 and the W/2 of Section 28, Township 24 South, Range 28 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to (i) the **Kansas 21/28 W0LM Fed. Well No. 2H**, and (ii) the **Kansas 21/28 W2LM Fed. Well No. 1H**. Both wells are horizontal wells with surface locations in the NW/4 SW/4 of Section 21, and bottomhole locations in the SW/4 SW/4 of Section 28. The producing interval of each well will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 3 miles southwest of Malaga, New Mexico.

Case No. 16313: Application of Mewbourne Oil Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 480-acre non-standard spacing and proration unit in the Wolfcamp formation comprised of the SE/4 of Section 21 and the E/2 of Section 28, Township 24 South, Range 28 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Kansas 21/28 W0IP Fed. Com. Well No. 2H**, a horizontal well with a surface location in the NE/4 SE/4 of Section 21, and a bottomhole location in the SE/4 SE/4 of Section 28. 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 2-1/2 miles southwest of Malaga, New Mexico.

Case No. 16314: Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Mewbourne Oil Company seeks an order approving a 208.98-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of Lots 4, 5, 12, 13, 17, and 18 (the W/2 W/2) of oversized Section 6, Township 21 South, Range 35 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 **Pheasant Ridge 6 B1DU State Com. Well No. 1H**, a horizontal well with a surface location in Unit D and a terminus in Unit U of Section 6. 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 west-northwest of Oil Center, New Mexico.

Case No. 16315: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying Lots 3, 4, S/2NW/4, and SW/4 (the W/2) of Section 2, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to (i) the **Skynyrd 2 W0CN Fee Well No. 1H**, a horizontal well with a surface location in the NE/4 NW/4 and a terminus in the SE/4 SW/4 of Section 2; (ii) the **Skynyrd 2 W0DM Fee Well No. 1H**, a horizontal well with a surface location in the NW/4 NW/4 and a terminus in the SW/4 SW/4 of Section 2; and (iii) the **Skynyrd 2 W0DM Fee Well No. 2H**, a horizontal well with a surface location in the NW/4 NW/4 and a terminus in the SW/4 SW/4 of Section 2. 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 1-1/2 miles north-northeast of Malaga, New Mexico.

Case No. 16316: Application of COG Operating LLC for Compulsory Pooling, Lea County, New Mexico. Applicant in the above styled cause seeks an order (1) creating an 160-acre, more or less, spacing and proration unit comprised of E/2 SE/4 of Section 18 and E/2 NE/4 of Section 19, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation, Wolfbone Pool, underlying said acreage. Said spacing unit shall be dedicated to the

Snapback Fee 501H Well, with a surface location in the NE/4 SE/4 (Unit I) of Section 18 and a bottom hole location in SE/4 NE/4 (Unit H) of Section 19. The completed interval for this well will remain within the 330-foot standard offset required by the Rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% penalty for risk involved in the drilling the well. Said area is approximately 14 miles northwest of Jal, New Mexico.

Case No. 16317: Application of COG Operating LLC for Compulsory Pooling, Lea County, New Mexico. Applicant in the above styled cause seeks an order (1) creating an 160-acre, more or less, spacing and proration unit comprised of W/2 SE/4 of Section 18 and W/2 NE/4 of Section 19, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation, Wolfbone Pool, underlying said acreage. Said spacing unit shall be dedicated to the **Snapback Fee 502H Well**, with a surface location in the NW/4 SE/4 (Unit J) of Section 18 and a bottom hole location in SW/4 NE/4 (Unit G) of Section 19. The completed interval for this well will remain within the 330-foot standard offset required by the Rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% penalty for risk involved in the drilling the well. Said area is approximately 14 miles northwest of Jal, New Mexico.

Case No. 16318: Application of COG Operating LLC for a standard horizontal spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the division: (1) creating a standard 480-acre, more or less, horizontal spacing and proration unit comprised of the SW/4 of Section 18 and the W/2 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation, Wolfbone Pool, underlying this acreage. Said horizontal spacing unit is to be assigned to two proposed initial wells, to be drilled and completed simultaneously: the **Snapback Fed Com Well No. 503H** and the **Snapback Fed Com Well No. 504H**. The **Snapback Fed Com Well No. 503H** will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 19 to bottom hole locations in the NE/4 SW/4 (Unit K) of Section 18, and the **Snapback Fed Com Well No. 504H** will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 19 to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 18. The completed intervals for the **Snapback Fed Com Well No. 503H** and the **Snapback Fed Com Well No. 504H** will remain within the 330-foot offset as required by the Statewide rules for oil wells. The first and last take points for the **Snapback Fed Com Well No. 503H** and the **Snapback Fed Com Well No. 504H** will remain within the 100-foot spacing requirement mandated by the Statewide rules for oil wells. Also to be considered will be the timing of the drilling and completion of said wells, the cost of drilling and completion of 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 14 miles west of Jal, New Mexico.

Case No. 16319: Application of COG Operating LLC for Compulsory Pooling, Lea County, New Mexico. Applicant in the above styled cause seeks an order (1) creating a 320-acre, more or less, horizontal spacing and proration unit comprised of SE/4 Section 18 and the NE/4 Section 19, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp Formation, Wolfbone Pool, underlying said acreage. Said spacing unit is for seven proposed initial wells, to be drilled and completed simultaneously: **Snapback Fee 601H Well**, to be drilled horizontally from a surface location in NE/4 SE/4 (Unit I) of Section 18 to a bottom hole location in SE/4 NE/4 (Unit H) of Section 19, with an unorthodox location; **Snapback Fee 602H Well**, **Snapback Fee 701H Well**, and **Snapback Fee 702H Well**, to be drilled horizontally from surface locations in NE/4 SE/4 (Unit I) of Section 18 to bottom hole locations in SE/4 NE/4 (Unit H) of Section 19, which will remain within the 330-foot offset as required by the Statewide rules for oil wells; **Snapback Fee 703H Well** and

Snapback Fee 704H Well to be drilled horizontally from surface locations in NW/4 SE/4 (Unit J) of Section 18 to bottom hole locations in SW/4 NE/4 (Unit G) of Section 19, which will remain within the 330-foot offset as required by the Statewide rules for oil wells; and **Snapback Fee 603H Well**, to be drilled horizontally from a surface location in NW/4 SE/4 (Unit J) of Section 18 to a bottom hole location in SW/4 NE/4 (Unit G) of Section 19, with an unorthodox location. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells, and a 200% penalty for risk involved in the drilling the wells. Said area is approximately 14 miles northwest of Jal, New Mexico.

Case No. 16320: Application of COG Operating LLC for a standard horizontal spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the division: (1) creating a standard 480-acre, more or less, horizontal spacing and proration unit comprised of the SW/4 of Section 18 and the W/2 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp Formation, Wolfbone Pool, underlying this acreage. Said horizontal spacing unit is to be assigned to six proposed initial wells, to be drilled and completed simultaneously: the **Snapback Fed Com Well No. 604H, Snapback Fed Com Well No. 605H, Snapback Fed Com Well No. 705H, Snapback Fed Com Well No. 706H, Snapback Fed Com Well No. 707H and Snapback Fed Com Well No. 708H**. The **Snapback Fed Com Well No. 605H, Snapback Fed Com Well No. 707H and Snapback Fed Com Well No. 708H** will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 19 to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 18. The **Snapback Fed Com Well No. 604H, Snapback Fed Com Well No. 705H, and Snapback Fed Com Well No. 706H** will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 19 to bottom hole locations in the NE/4 SW/4 (Unit K) of Section 18. The completed intervals for the **Snapback Fed Com Well No. 604H, Snapback Fed Com Well No. 605H, Snapback Fed Com Well No. 705H, Snapback Fed Com Well No. 706H, Snapback Fed Com Well No. 707H and Snapback Fed Com Well No. 708H** will remain within the 330-foot offset as required by the Statewide rules for oil wells. The first and last take points for the **Snapback Fed Com Well No. 604H, Snapback Fed Com Well No. 605H, Snapback Fed Com Well No. 705H, Snapback Fed Com Well No. 706H, Snapback Fed Com Well No. 707H and Snapback Fed Com Well No. 708H** will remain within the 100-foot spacing requirement mandated by the Statewide rules for oil wells. Also to be considered will be the timing of the drilling and completion of said wells, the cost of drilling and completion of 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 14 miles west of Jal, New Mexico.

Case No. 16321: Application of Marathon Oil Permian LLC for approval of a non-standard 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, spacing and proration unit covering the W/2 W/2 of Section 28 and the W/2 W/2 of Section 33, Township 20 South, Range 33 East, NMPM, Lea County New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this spacing and proration unit. This proposed spacing and proration unit will be the project area for the TB **Tomahawk Federal 20 33 33 TB 1H**, and the **Tomahawk Federal 20 33 33 SB 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 3 miles east-southeast of Halfway, New Mexico.

Case No. 16322: Application of Marathon Oil Permian LLC for approval of a non-standard proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 640-acre, more or less, spacing and proration unit covering the W/2 of Section 28 and the W/2 of Section 33, Township 20 South, Range 33 East, NMPM, Lea County New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this spacing and proration unit. This

proposed spacing and proration unit will be the project area for the **Tomahawk Federal 20 33 33 WA 2H**, **Tomahawk Federal 20 33 33 WD 3H**, **Tomahawk Federal 20 33 33 WA 11H**, and the **Tomahawk Federal 20 33 33 WD 12H** 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 3 miles east-southeast of Halfway, New Mexico.

Case No. 16323: Application of Marathon Oil Permian LLC for approval of a non-standard 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, spacing and proration unit covering the E/2 W/2 of Section 28 and the E/2 W/2 of Section 33, Township 20 South, Range 33 East, NMPM, Lea County New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this spacing and proration unit. This proposed spacing and proration unit will be the project area for the **Tomahawk Federal 20 33 33 TB 10H** and the **Tomahawk Federal 20 33 33 FB 24H** 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 3 miles east-southeast of Halfway, New Mexico.

Case No. 16327: 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: 1) creating a non-standard spacing 320-acre, more or less, spacing and proration unit covering the N/2 S/2 of Section 6, Township 23 South, Range 28 East, and the N/2 S/2 of Section 1, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Maximus Federal 23 28 6 TB 8H** 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 6 miles south-southwest of Carlsbad, New Mexico.

Case No. 16328: Amended Application of Marathon Oil Permian LLC for approval of a non-standard 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 covering the S/2 of Section 6, Township 23 South, Range 28 East, and the S/2 of Section 1, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this spacing and proration unit. This proposed spacing and proration unit will be the project area for the **Maximus Fee 23 28 6 WA 2H**, **Maximus Fee 23 28 6 WD 3H**, **Maximus Fee 23 28 6 WXY 6H**, **Maximus Federal 23 28 6 WA 9H**, and **Maximus Federal 23 28 6 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 6 miles south-southwest of Carlsbad, New Mexico.

Case No. 16324: 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: 1) creating a non-standard spacing 320-acre, more or less, spacing and proration unit covering the S/2 S/2 of Section 6, Township 23 South, Range 28 East, and the S/2 S/2 of Section 1, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying non-standard spacing and proration unit. This proposed non-standard

spacing and proration unit will be the project area for the **Maximus Fee 23 28 6 TB 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 Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles south-southwest of Carlsbad, New Mexico.

Case No. 16325: 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 320.66-acre, more or less, spacing and proration unit comprised of Lot 2, SW/4 NE/4, W/2 SE/4 [W/2 E/2] of Section 4 and W/2 E/2 of Section 9, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Corral Canyon; Bone Spring South (Pool Code 13354) underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Big Papi Federal Com No. 12H**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Lot 2) of Section 4 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 9. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of 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 southwest of Malaga, New Mexico.

Case No. 16326: 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 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 17 and E/2 W/2 of Section 20, Township 24 South, Range 35 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 **Bonaid Federal Com No. 14H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 17 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 20. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles northwest of Jal, New Mexico.

Case No. 16327: 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 160-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 34, Township 20 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 **Little Bear Federal Com No. 1H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 34 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 34. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

Case No. 16328: 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 240-acre, more or less, spacing and proration unit comprised of the E/2 SE/4 of Section 28 and the E/2 E/2 of Section 33, Township 20 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 **Little Bear Federal Com No. 2H**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 33 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 28. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

Case No. 16329: 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 240-acre, more or less, spacing and proration unit comprised of the W/2 SE/4 of Section 28 and the W/2 E/2 of Section 33, Township 20 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 **Little Bear Federal Com No. 3H**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 28. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

Case No. 16330: 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 240-acre, more or less, spacing and proration unit comprised of the E/2 SW/4 of Section 28 and the E/2 W/2 of Section 33, Township 20 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 **Little Bear Federal Com No. 4H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 33 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 28. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

Case No. 16331: 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 240-acre, more or less, spacing and proration unit comprised of the W/2 SW/4 of Section 28 and the W/2 W/2 of Section 33, Township 20 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 **Little Bear Federal Com No. 5H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 33 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 28. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG 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 northwest of Eunice, New Mexico.

Case No. 16332: 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 160-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 34, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 6H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 34 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 34. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

Case No. 16333: 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 240-acre, more or less, spacing and proration unit comprised of the W/2 SE/4 of Section 28 and the W/2 E/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 7H**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 28. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

Case No. 16334: 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 240-acre, more or less, spacing and proration unit comprised of the E/2 SW/4 of Section 28 and the E/2 W/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 8H**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 28. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

Case No. 16335: 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 240-acre, more or less, spacing and proration unit comprised of the W/2 SW/4 of Section 28 and the W/2 W/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 9H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 33 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 28. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and

completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG 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 northwest of Eunice, New Mexico.

Case No.16336: Application of McElvain Energy Inc. for a non-standard 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 240-acre, more or less, spacing and proration unit comprised of the E/2 SW/4 of Section 19 and the E/2 W/2 of Section 30, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico; (2) pooling all uncommitted interests in the E-K Bone Spring Pool (Pool Code 21650) underlying this acreage; and (3) approving the unorthodox well location. Said non-standard unit is to be dedicated to the applicant's proposed **EK 30 BS2 Federal Com No. 3H Well**, which will be drilled horizontally from the SW/4 SW/4 (Unit M) of Section 30 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 19. The Special Rules for the E-K Bone Spring Pool require 80-acre spacing units and that the completed interval for a well be located within 150 feet of the center of the quarter-quarter section. The completed interval for this well will be at an unorthodox location because it is closer to the northern and southern boundaries of the proposed spacing and proration unit than allowed by the Special 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 McElvain Energy, Inc. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 27 miles west of Hobbs, New Mexico.

Case No. 16337: Application of McElvain Energy Inc. for a non-standard 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 225.41-acre, more or less, spacing and proration unit underlying Lots 3 and 4 [W/2 SW/4] of Section 19 and Lots 1-4 [W/2 W/2] of Section 30, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico; (2) pooling all uncommitted interests in the E-K Bone Spring Pool (Pool Code 21650) underlying this acreage; and (3) approving the unorthodox well location. Said non-standard unit is to be dedicated to the applicant's proposed **EK 30 BS2 Federal Com No. 4H Well**, which will be drilled horizontally from the SW/4 SW/4 (Lot 4) of Section 30 to a bottom hole location in the NW/4 SW/4 (Lot 3) of Section 19. The Special Rules for the E-K Bone Spring Pool require 80-acre spacing units and that the completed interval for a well be located within 150 feet of the center of the quarter-quarter section. The completed interval for this well will be at an unorthodox location because it is closer to the northern and southern boundaries of the proposed spacing and proration unit than allowed by the Special 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 McElvain Energy, Inc. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 28 miles west of Hobbs, New Mexico.

Case No. 16338: Application of OXY USA Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a 320.08-acre non-standard spacing and proration unit comprised of the W/2 E/2 of Section 34, Township 23 South, Range 31 East, NMPM, and Lot 2, SW/4 NE/4, W/2 SE/4 [W/2 E/2] of Section 3, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Ingle Wells; Bone Spring (Pool Code 33740) underlying this acreage. Said non-standard unit will be the project area for its proposed **Platinum MDP1 "34-3" Federal Com No. 4H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 34, Township 23 South, Range 31 East, NMPM, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 3, Township 24 South, Range 31 East, NMPM. The completed interval for this well will 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 OXY USA Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles east of Loving, New Mexico.

Case No. 16339: Application of OXY USA Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a 320.03-acre non-standard spacing and proration unit comprised of the E/2 E/2 of Section 34, Township 23 South, Range 31 East, NMPM, and Lot 1, SE/4 NE/4, E/2 SE/4 [E/2 E/2] of Section 3, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Ingle Wells; Bone Spring (Pool Code 33740) underlying this acreage. Said non-standard unit will be the project area for its proposed **Platinum MDP1 “34-3” Federal Com No. 5H Well** and **Platinum MDP1 “34-3” Federal Com No. 6H Well** which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 34, Township 23 South, Range 31 East, NMPM, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 3, Township 24 South, Range 31 East, NMPM. The completed interval for the **Platinum MDP1 “34-3” Federal Com No. 6H Well** will remain within the 330-foot standard offset required by the Statewide Rules set forth in 19.15.15 NMAC. The completed interval for the **Platinum MDP1 “34-3” Federal Com No. 5H Well** will be at a non-standard location. OXY has applied administratively for approval of a non-standard location for the **Platinum MDP1 “34-3” Federal Com No. 5H Well**. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA Inc. as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles east of Loving, New Mexico.

Case No. 16340: Application of ConocoPhillips Company for Approval of the Zia Hills BC/WC Unit; Contraction of the Jennings Upper Bone Spring Shale Pool, the Purple Sage-Wolfcamp Gas Pool and the WC-025 G-08 S263205N Upper Wolfcamp Pool; and for Creation of Wildcat Bone Spring and Wolfcamp Oil Pools for the Unit Area, Lea and Eddy Counties, New Mexico. Applicant seeks an order (1) approving the Zia Hills BS/WC Unit; (2) contracting the Jennings; Upper Bone Spring Shale Pool (Pool Code 97838), the Purple Sage-Wolfcamp Gas Pool (98220) and the WC-025 G-08 S263205N; Upper Wolfcamp Pool (98065) from the interior boundary of the Unit Area; and (3) creating wildcat Bone Spring and Wolfcamp oil pools to cover the Bone Spring and Wolfcamp formations, respectively, within the Unit Area. The proposed Unit Area consists of approximately 13,863.35 acres of the following Federal and State lands situated in Lea and Eddy Counties, New Mexico:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY

Section 12: SW/4
Section 13: All
Section 14: All
Section 23: All
Section 24: All
Section 25: All
Section 26: All
Section 27: All
Section 34: All
Section 35: All
Section 36: All

TOWNSHIP 26 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY

Section 7: S/2
Section 17: All

Section 18: All
Section 19: All
Section 20: All
Section 25: All
Section 26: All
Section 27: All
Section 28: All
Section 29: All
Section 30: All
Section 31: All
Section 32: All
Section 33: All
Section 34: All
Section 35: All
Section 36: All

The proposed unitized interval consists of the Bone Spring and Wolfcamp formations described as the stratigraphic equivalent of below the base of the Brushy Canyon formation at a measured depth of 7,678 feet down to the stratigraphic equivalent of to the top of the Cisco formation at a measured depth of 14,050 feet as encountered in the Stampede 27 1M (API No. 30-015-42118) and the State GR 1 (API No. 30-025-26785). The subject acreage is located approximately 36 miles west of Jal, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 28th day of June, 2018.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

**Heather Riley
Director**

S E A L