

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 **September 20, 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 **September 10, 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. 16404: Application of Continental Resources, Inc. for Approval of the Callaway State Exploratory Unit, Lea County, New Mexico. Applicant seeks approval of its Callaway State Exploratory Unit, which comprises 1,640 acres, more or less, of State of New Mexico lands situated in the S/2 SW/4 and SE/4 of Section 22, all of Section 27, the S/2 of Section 28, the E/2 E/2 of Section 33, and the NW/4, SE/4 SW/4, and W/2 SW/4 of Section 34, Township 16 South, Range 36 East, N.M.P.M., in Lea County. The unitized interval includes all formations underlying the unit area. The unit is located approximately two (2) miles south of Lovington, New Mexico.

Case No. 16405: Application of Chevron U.S.A. 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, if necessary a non-standard, 640-acre spacing and proration unit comprised of the E/2 of Section 3, Township 23 South, Range 28 East, and the E/2 of Section 10, Township 23 South, Range 28 East, N.M.P.M., Eddy 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 three proposed wells: the **CB Hays 10 3 Fed Com 005 1H Well**, the proposed **CB Hays 10 3 Fed Com 005 2H Well**, and the proposed **CB Hays 10 3 Fed Com 005 3H Well**, which will be simultaneously drilled and completed. The three proposed horizontal wells will be pad drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 15 to bottom hole locations in the NW/4 NE/4 (Unit B) of Section 22 for the **CB Hays 10 3 Fed Com 005 1H Well** and in the NE/4 NE/4 (Unit A) of Section 22 for the **CB Hays 10 3 Fed Com 005 2H Well** and the **CB Hays 10 3 Fed Com 005 3H Well**. The completed interval for each well will be at a

standard 330 foot offset pursuant to the Special Rules for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220). Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chevron U.S.A. Inc. as operator of the wells and a 200% charge for risk involved in drilling said well. Said area is located approximately 2 miles east of Loving, New Mexico.

Case No.16406: Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit, compulsory pooling, and unorthodox well location, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating, if necessary, a non-standard 319.95-acre, more or less, spacing and proration unit comprised of the W/2 E/2 Section 34 Township 19 South, Range 33 East, NMPM, Lea County, New Mexico, and W/2 E/2 of Section 3, Township 20 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 unorthodox well location. Said non-standard unit is to be dedicated to applicant's proposed **Jade 34-3 Fed Com 1BS No. 7H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 34 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 3. The completed interval for these wells will be unorthodox because it will be closer to the eastern boundary of the spacing 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 37 miles northeast of Carlsbad, New Mexico.

Case No. 16407: Application of Matador Production Company 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, if necessary, a non-standard, 160-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 35, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico and (2) pooling all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Brad Dyer Federal No. 205H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 35. The completed interval for this well will remain within the standard offset required 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 Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 34 miles southeast of Carlsbad, New Mexico.

Case No. 16408: Application of Percussion Petroleum 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, if necessary, a 160-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 22, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the North Seven Rivers; Glorieta-Yeso Pool (97565). Said non-standard unit is to be dedicated to applicant's proposed **Ross Ranch 22 9H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 27 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 22, and **Ross Ranch 22 10H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 27 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 22. 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 Percussion Petroleum Operating, LLC as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 6.5 miles west of Lakewood, New Mexico.

Case No. 16409: Application of Ascent Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a 320-acre horizontal spacing unit in the Bone Spring formation comprised of the E/2 E/2 of Section 28 and the E/2 E/2 of Section 33, Township 20 South, Range 33 East, NMPM. The unit will be dedicated to the **Gavilon Fed. Com. Well No. 501H, Gavilon Fed. Com. Well No. 502H, and Gavilon Fed. Com. Well No. 601H**, horizontal Bone Spring wells with first take points in the SE/4 SE/4 of Section 33, and last take points in the NE/4 NE/4 of Section 28. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 3-1/2 miles east-southeast of Halfway, New Mexico.

Case No. 16410: Application of Ascent Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying a 320-acre horizontal spacing unit in the Wolfcamp formation comprised of the E/2 E/2 of Section 28 and the E/2 E/2 of Section 33, Township 20 South, Range 33 East, NMPM. The unit will be dedicated to the **Gavilon Fed. Com. Well No. 701H and the Gavilon Fed. Com. Well No. 702H**, horizontal Wolfcamp wells with first take points in the SE/4 SE/4 of Section 33, and last take points in the NE/4 NE/4 of Section 28. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 3-1/2 miles east-southeast of Halfway, New Mexico.

Case No. 15601 (re-opened): Application of Mewbourne Oil Company to re-open Case No. 15601 for compulsory pooling, Lea County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2 E/2 of Section 15, Township 23 South, Range 34 East, NMPM. The unit will be dedicated to the **Pronghorn 15 B3BO Fed. Com. Well No. 1H**, a horizontal well with a first take point in the NW/4 NE/4 and a last take point in the SW/4 SE/4 of Section 15. 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 17-1/2 miles southwest of Oil Center, New Mexico.

Case No. 16020 (re-opened): Application of Mewbourne Oil Company to re-open Case No. 16020 for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests from the top of the Second Bone Spring Sand to the base of the Bone Spring formation in a horizontal spacing unit comprised of the N/2 N/2 of Section 24 and the N/2 N/2 of Section 23, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the **Virgo 24/23 B2AD Fed. Com. Well No. 1H**, a horizontal well with a first take point in the NE/4 NE/4 of Section 24, and a last take point in the NW/4 NW/4 of Section 23. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 6 miles south-southeast of Loco Hills, New Mexico

Case No. 16183 (amended and re-advertised): Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests from the top of the Second Bone Spring Sand to the base of the Bone Spring formation in a horizontal spacing unit comprised of the S/2 N/2 of Section 24 and the S/2 N/2 of Section 23, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the **Virgo 24/23 B2HE Fed. Com. Well No. 1H**, a horizontal well with a first take point in the SE/4 NE/4 of Section 24, and a last take point in the SW/4 NW/4 of Section 23. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of

applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 6-1/2 miles south-southeast of Loco Hills, New Mexico.

Case No. 16184 (amended and re-advertised): Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests from the top of the Second Bone Spring Sand to the base of the Bone Spring formation in a horizontal spacing unit comprised of the N/2 S/2 of Section 24 and the N/2 S/2 of Section 23, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the **Virgo 24/23 B2IL Fed. Com. Well No. 1H**, a horizontal well with a first take point in the NE/4 SE/4 of Section 24, and a last take point in the NW/4 SW/4 of Section 23. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 6-1/2 miles south-southeast of Loco Hills, New Mexico.

Case No. 15906 (Re-opened) and Case No. 15907 (Re-opened): Application of Marathon Oil Permian LLC to Amend Order R-14577 and R-14578 to Allow Additional Time for Completion Operations, Lea County, New Mexico. Applicant seeks an order (1) amending Order R-14577 to allow additional time to complete wells; and (2) amending Order R-14578 to allow additional time to complete wells. These orders allow for the drilling and completion of the **Dee Boot Fee 24 34 26 WXY Well No. 3H (API NO. 30-025-44162)**, **Dee Boot Fee 24 34 26 WA Well No. 6H (API NO. 30-025-44212)** and the **Dee Boot Fee 24 34 26 WXY Well No. 19H (API No. 30-025-44163)** wells within the Wolfcamp formation in the E/2 of Section 26, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico and the **Dee Boot Fee 24 34 26 TB Well No. 7H (API No. 30-025-44165)** within the Bone Spring formation in the E/2 E/2 of Section 26, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. Said area is located approximately 15 miles northwest of Jal, New Mexico.

Case No. 15908 (Re-opened) and Case No. 15909 (Re-opened): Application of Marathon Oil Permian LLC to Amend Order R-14598 and R-14599 to Allow Additional Time for Completion Operations, Lea County, New Mexico. Applicant seeks an order (1) amending Order R-14598 to allow additional time to complete wells; and (2) amending Order R-14599 to allow additional time to complete wells. These orders allow for the drilling and completion of the **Flowmaster 24 34 15 SB Well No. 4H**, and the **Flowmaster 24 34 15 TB Well No. 5H** within the Bone Spring formation in the W/2 W/2 of Section 15, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico and the **Flowmaster 24 34 15 SB Well No. 8H** within the Bone Spring formation in the E/2 W/2 of Section 15, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. Said area is located approximately 17 miles northwest of Jal, New Mexico.

Case No. 15985 (Re-opened) and Case No. 15986 (Re-opened): Application of Marathon Oil Permian LLC to Amend Order R-14660 and R-14661 to Allow Additional Time for Completion Operations, Eddy County, New Mexico. Applicant seeks an order (1) amending Order R-14660 to allow additional time to complete wells; and (2) amending Order R-14661 to allow additional time to complete wells. These orders allow for the drilling and completion of the **Gravel Grinder Fee 28-28-18 TB 6H** well within the Bone Spring formation in the E/2 W/2 of Section 18, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico and the **Gravel Grinder Fee 23-28-18 WXY 3H**, **Gravel Grinder Fee 23-28-18 WXY 10H** and **Gravel Grinder Fee 23-28-18 WA 5H** within the Wolfcamp formation in the W/2 of Section 18, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Said area is located approximately 2 miles northwest of Loving, New Mexico.

Case No. 16411: Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the S/2 N/2 of Sections 7 and 8, Township 24 South, Range

27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Atreides Federal 24-27-8 TB 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 Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately Nine (9) miles West of Malaga, New Mexico.

Case No. 16412: Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the N/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Atreides Federal 24-27-8 WXY 2H, Atreides Federal 24-27-8 WA 5H, and the Atreides Federal 24-27-8 WXY 8H** 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, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately Nine (9) miles West of Malaga, New Mexico.

Case No. 16413: Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Section 19, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Duda Bides Federal 22-28-19 TBC 7H** 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, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately six (6) miles East South East of Carlsbad, New Mexico.

Case No. 16414: Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the N/2 of Section 19, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Duda Bides Federal 22-28-19 WXY 5H, Duda Bides Federal 22-28-19 WA 6H, and Duda Bides Federal 22-28-19 WXY 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, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately six (6) miles East South East of Carlsbad, New Mexico.

Case No. 16415: Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Fremen Federal 24-27-7 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, and allowing a one year period between when the well

is drilled and when the well is completed. Said area is located approximately Nine (9) miles West of Malaga, New Mexico.

Case No. 16416: Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the S/2 S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Fremen Federal 24-27-7 TB 2H** 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, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately Nine (9) miles West of Malaga, New Mexico.

Case No. 16417: Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Fremen Federal 24-27-7 WA 3H, Fremen Federal 24-27-7 WXY 5H,** and the **Fremen Federal 24-27-7 WA 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, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately Nine (9) miles West of Malaga, New Mexico.

Case No. 16418: Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 W/2 of Section 14, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Ramathorn Federal Com 22 32 14 TB 1H** and **Ramathorn Federal Com 22 32 14 FB 22H** 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, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 26 miles northwest of Loving, New Mexico.

Case No. 16419: Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 W/2 of Section 14, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Ramathorn Federal Com 22 32 14 SB 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, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 26 miles northwest of Loving, New Mexico.

Case No. 16420: Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Section 14, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Ramathorn Federal Com**

22 32 14 WA 2H and **Ramathorn Federal Com 22 32 14 WXY 7H** 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, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 26 miles northwest of Loving, New Mexico.

Case No. 16421: Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 W/2 of Section 26, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Elizabeth Reed Federal 22-33-26 SB 4H** 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, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 23 miles west south west of Eunice, New Mexico.

Case No. 16422: Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 W/2 of Section 26, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Elizabeth Reed Federal 22-33-26 WA 6H** well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 23 miles west south west of Eunice, New Mexico.

Case No. 16423: Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 W/2 of Section 26, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Elizabeth Reed Federal 22-33-26 TB 7H** and **Elizabeth Reed Federal 22-33-26 SB 8H** 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, and allowing a one year period between when the wells are drilled and when the wells are completed. Said area is located approximately 23 miles west south west of Eunice, New Mexico.

Case No. 16424: Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 6 and 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Charlie Murphy Federal Com 26-35-6 WXY 12H**, **Charlie Murphy Federal Com 26-35-6 WA 15H**, and **Charlie Murphy Federal Com 26-35-6 WXY 18H** 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, and allowing a one year period between when the wells are drilled and when the wells are completed. Said area is located approximately 12 miles west southwest of Jal, New Mexico.

Case No. 16425: Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 6 and 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Charlie Murphy Federal Com 26-35-6 TB 14H** 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, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 12 miles west south west of Jal, New Mexico.

Case No. 16426: Application of NGL Water Solutions Permian, LLC to Amend Administrative Orders SWD-1724 and SWD 1711 for Salt Water Disposal Wells in Eddy County, New Mexico. Applicant seeks an order amending the size of tubing approved by the Division in administrative orders SWD-1724 and SWD-1711 for its Striker 1 SWD No. 1 and Alpha SWD Well No. 2 salt water disposal wells. Applicant further seeks approval of a maximum injection rate of 50,000 bbls per day, and the approval of a maximum surface pressure of 2,750 psi for the **Striker 1 SWD No. 1** well, and 2,655 psi for the **Alpha SWD Well No. 2** well. The subject wells are located in Sections 15 and 18, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Said area is located approximately 3 miles north of Loving, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 23rd day of August , 2018.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

**Heather Riley
Director**

S E A L