

AMENDED DOCKET: EXAMINER HEARING - THURSDAY-MARCH 22, 2018

8:15 a.m. - 1220 South St. Francis, Santa Fe, New Mexico 87505

Docket Nos.14-18 and 15-18 are tentatively set for April 5, 2018 and May 3, 2018. Applications for hearing must be filed at least thirty (30) days in advance of the hearing date. OCD Rule Subsection B of 19.15.4.13 NMAC requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued. A party who plans on using projection equipment at a hearing must contact Florene Davidson, seven (7) 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. The following cases will be heard by an Examiner.

*Locator Key for Cases**Case 15897 - No. 19**Case 15898 - No. 20**Case 15913 - No. 49**Case 15914 - No. 50**Case 15926 - No. 47**Case 15968 - No. 51**Case 15971 - No. 48**Case 15984 - No. 45**Case 15997 - No. 46**Case 15999 - No. 2**Case 16000 - No. 3**Case 16002 - No. 7**Case 16009 - No.27**Case 16010 - No. 28**Case 16011 - No. 29**Case 16012 - No. 30**Case 16013 - No. 31**Case 16014 - No. 32**Case 16015 - No. 4**Case 16019 - No. 1**Case 16020 - No. 5**Case 16021 - No. 8**Case 16022 - No. 9**Case 16023 - No. 10**Case 16024 - No. 11**Case 16025 - No. 12**Case 16026 - No. 13**Case 16027 - No. 14**Case 16028 - No. 15**Case 16029 - No. 16**Case 16030 - No. 17**Case 16031 - No. 18**Case 16032 - No. 21**Case 16033 - No. 22**Case 16034 - No. 23**Case 16035 - No. 24**Case 16036 - No. 25**Case 16037 - No. 26**Case 16038 - No. 33**Case 16039 - No. 34**Case 16040 - No. 35**Case 16041 - No. 36**Case 16042 - No. 37**Case 16043 - No. 38**Case 16044 - No. 39**Case 16045 - No. 40**Case 16046 - No. 41**Case 16047 - No. 42**Case 16048 - No. 43**Case 16049 - No. 44*

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1. ***Case No. 16019: Application of COG Operating LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order (i) creating a 240.01-acre, more or less, non-standard oil spacing and proration unit (project area) comprised of the E/2 W/2 of Section 1 and the E/2 NW/4 of Section 12, Township 24 South, Range 34 East, NMPM, in Lea County, and (ii) pooling all uncommitted mineral interests in the Bone Spring formation underlying this acreage. The project area is to be dedicated to applicant's **Mortarboard Federal Com #13H well**, which will be horizontally drilled from a surface location in Lot 3 of Section 1 to a bottom hole location in Unit F of Section 12, Township 24 South, Range 34 East. 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 the well and the allocation of the cost, the designation of COG Operating LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The proposed project area is located approximately sixteen (16) miles northwest of Jal, New Mexico.

2. ***Case No. 15999: (Continued from the March 8, 2018 Examiner Hearing.)***
Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order to create a non-standard spacing and proration unit covering the Bone Spring formation, which is comprised of the W/2 E/2 of Section 11, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico, and the pooling of all uncommitted mineral interests located within the proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Urraca Federal Com 23 32 11 SB 15H 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 26 miles east northeast of Malaga, New Mexico.

3. ***Case No. 16000: (Continued from the March 8, 2018 Examiner Hearing.)***
Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling Lea County, New Mexico. Applicant seeks an order to create a non-standard spacing and proration unit covering the Bone Spring formation, which is comprised of the E/2 E/2 of Section 11, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico, and the pooling of all uncommitted mineral interests located within the proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Urraca Federal Com 23 32 11 SB 22H 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 26 miles east northeast of Malaga, New Mexico.

4. ***Case No. 16015: (Continued from the March 8, 2015 Examiner Hearing.)***
Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling Lea County, New Mexico. Applicant seeks an order to create a non-standard spacing and proration unit covering the Bone Spring formation, which is comprised of the E/2 W/2 of Section 11, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico and the pooling of all uncommitted mineral interests located within the proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Urraca Federal Com 23 32 11 AV 24H 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 wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 26 miles east northeast of Malaga, New Mexico.

5. ***Case No. 16020: Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2 N/2 of Section 24 and the N/2 N/2 of Section 23, Township 18 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to the **Virgo 24/23 B2AD Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NE/4 NE/4 of Section 24, and a terminus 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.

7. ***Case No. 16002: (Continued from the March 8, 2018 Examiner Hearing.)***
Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 640-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the N/2 of Section 9 and the N/2 of Section 8, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the **Chicago 9/8 W0HE Fee Com. Well No. 1H** and the **Chicago 9/8 W2HE Fee Com. Well No. 2H**, horizontal wells with surface locations in the SE/4 NE/4 of Section 9, and bottomhole locations in the SW/4 NW/4 of Section 8. 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

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risk involved in drilling and completing the wells. The unit is located approximately 2 miles west-northwest of Malaga, New Mexico.

8. **Case No. 16021: Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 36, Township 19 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Pistolero State Com. Well No. 502H**, a horizontal well with a surface location in the NW/4 NW/4, and a terminus in the SE/4 SW/4, of Section 36. 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 8-1/2 miles west of Monument, New Mexico.

9. **Case No. 16022: Application of Ameredev Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 21 and the W/2 W/2 of Section 16, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be the project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Camellia Fed Com 26-36-21 No. 111H Well** and the proposed **Camellia Fed Com 26-36-21 No. 121H Well**. These wells will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 21 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 16. The completed interval for each 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 each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Ameredev Operating, LLC as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 7 miles southwest of Jal, NM.

10. **Case No. 16023: Application of Ameredev 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 32 and the W/2 E/2 of Section 29, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be the project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Redbud State Com 25-36-32 No. 105H Well** and the proposed **Redbud State Com 25-36-32 No. 115H Well**. These wells will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 32 to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 29. The completed interval for each 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 each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Ameredev Operating, LLC as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 6 miles southwest of Jal, NM.

11. **Case No. 16024: Amended Application of BTA Oil Producers, 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) authorizing a non-standard, 160-acre spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) combining that 160-acre non-standard spacing unit with a standard 320-acre spacing unit to create 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 (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be the project area for two proposed initial wells, to be drilled and simultaneously completed: the proposed **BTA-Ogden 20509 32-29 Fed Com #5H Well** and the proposed **BTA-Ogden 20509 32-29 Fed Com #6H Well**. The **BTA-Ogden 20509 32-29 Fed Com #5H Well** has a standard surface location in the SE/4 NW/4 (Unit F) of Section 32 with a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 29. The **BTA-Ogden 20509 32-29 Fed Com #6H Well** will have a standard surface hole location in the SW/4 NW/4 (Unit E) of Section 32 with a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 29. The completed interval for each well will remain within the 330-foot standard offset required by the Special Rule 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 BTA Oil Producers, LLC 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, N.M.

12. **Case No. 16025: 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 240-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 14 and the W/2 NW/4 of Section 23, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation. Said non-standard unit is to be dedicated to applicant's proposed **Outland 14-23 State 2BS 2H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 14 to a standard bottom hole location in the SW/4 NW/4 (Unit E)

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of Section 23. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of 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 16 miles west of Eunice, New Mexico.

13. Case No. 16026: 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 240-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 14 and the E/2 NW/4 of Section 23, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico. Said non-standard unit is to be dedicated to applicant's proposed **Outland 14-23 State 2BS 3H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 14 to a standard bottom hole location in the SE/4 NW/4 (Unit F) of Section 23. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of 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 16 miles west of Eunice, New Mexico.

14. Case No. 16027: Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 638.16-acre, more or less, spacing and proration unit comprised of the W/2 of Section 3 and the W/2 of Section 10, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be a project area for three proposed initial wells, to be drilled and completed simultaneously: the proposed **Black River 3-10 Fed Com WCA No. 2H Well**, the proposed **Black River 3-10 Fed Com WCA No. 3H Well**, and the proposed **Black River 3-10 Fed Com WCA No. 4H Well**. These wells will be horizontally drilled from a surface location in the NE/4 NW/4 (Lot 3) of Section 3 to bottom hole locations in the SW/4 SW/4 (Unit M) and the SE/4 SW/4 (Unit N) of Section 10. The completed intervals for these wells will remain within the 330-foot offset as required by the special rules for the Purple Sage-Wolfcamp Gas Pool adopted under Division Order R-14262. Also to be considered will be the timing of the drilling and completion of said wells, the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating, LLC as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 12 miles southwest of Carlsbad, New Mexico.

15. Case No. 16028: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 17 and the W/2 W/2 of Section 20, Township 24 South, Range 35 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 **Bonaid Fed Com No. 15H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 17 to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 20. The completed interval for this well is within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northwest of Jal, New Mexico.

16. Case No. 16029: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 320.89-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 4 and the E/2 W/2 of Section 9, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the WC-025 G-09 S243532M; Wolfbone Pool (Pool Code 98098) underlying this acreage. Said non-standard unit is to be a project area for three proposed initial wells, to be drilled and completed simultaneously: the proposed **Fez Fed Com No. 601H Well**, the proposed **Fez Fed Com No. 602H Well**, and the proposed **Fez Fed Com No. 701H Well**. These wells will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 9 to bottom hole locations in the NE/4 NW/4 (Lot 3) of Section 4. The completed intervals for the **Fez Fed Com No. 601H Well** and the **Fez Fed Com No. 701H Well** will remain within the 330-foot offset as required by the Statewide rules for oil wells. The completed interval for the **Fez Fed Com No. 602H Well** will be unorthodox. COG has applied administratively for approval of an unorthodox location for the **Fez Fed Com No. 602H Well**. Also to be considered will be the timing of the drilling and completion of said wells, the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 10 miles northwest of Jal, New Mexico.

17. Case No. 16030: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 320.89-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 4 and the W/2 W/2 of Section 9, Township 25 South,

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Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the WC-025 G-09 S243532M; Wolfbone Pool (Pool Code 98098) underlying this acreage. Said non-standard unit is to be a project area for six proposed initial wells, to be drilled and completed simultaneously: the proposed **Fez Fed Com No. 603H Well**, the proposed **Fez Fed Com No. 604H Well**, the proposed **Fez Fed Com No. 702H Well**, the proposed **Fez Fed Com No. 703H Well**, the proposed **Fez Fed Com No. 704H Well**, and the proposed **Fez Fed Com No. 705H Well**. These wells will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 9 to bottom hole locations in the NW/4 NW/4 (Lot 4) of Section 4. The completed intervals for the **Fez Fed Com No. 603H Well**, the **Fez Fed Com No. 604H Well**, the **Fez Fed Com No. 703H Well**, the **Fez Fed Com No. 704H Well**, and the **Fez Fed Com No. 705H Well** will remain within the 330-foot offset as required by the Statewide rules for oil wells. The completed interval for the **Fez Fed Com No. 702H Well** will be unorthodox. COG has applied administratively for approval of an unorthodox location for the **Fez Fed Com No. 702H Well**. Also to be considered will be the timing of the drilling and completion of said wells, the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 10 miles northwest of Jal, New Mexico.

18. Case No. 16031: Application of Fasken Oil & Ranch Ltd., For Approval Of An 80.81-Acre Non-Standard Oil Spacing And Proration Unit, Eddy County, New Mexico. Applicant seeks an order authorizing an 80.81-acre non-standard oil spacing and proration unit in the Avalon Wolfcamp Pool (Pool Code 71120) comprised of the W/2 NW/4 of Section 10, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico. This non-standard spacing and proration unit will be dedicated to the **Lake Shore SC 10 Federal Com No. 4 Well** (API No. 30-015-31569), a vertical well located 1310 feet from the north line and 1160 feet from the west line in the NW/4 NW/4 (Unit D) of said Section 10. This area is located approximately 3 miles north of the City of Carlsbad, New Mexico.

19. Case No. 15897: (Continued from the January 25, 2018 Examiner Hearing.)

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 a non-standard, 160-acre, more or less, spacing and proration unit comprised of the E/2 SE/4 of Section 16 and the E/2 NE/4 of Section 21, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Simon Camamile 21-23S-32E AR No. 204H Well**, which will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 21 to a standard bottom hole location in the NE/4 SE/4 (Unit I) of Section 16. 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 Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 13 miles west of Jal, NM.

20. Case No. 15898: (Continued from the January 25, 2018 Examiner Hearing.)

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 a non-standard, 160-acre, more or less, spacing and proration unit comprised of the E/2 SE/4 of Section 16 and the E/2 NE/4 of Section 21, Township 23 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 **Simon Camamile 21-23S-32E AR No. 124H Well**, which will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 21 to a standard bottom hole location in the NE/4 SE/4 (Unit I) of Section 16. 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 Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 13 miles west of Jal, NM.

21, Case No. 16032: 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 a 154.28-acre, more or less, non-standard spacing and proration unit comprised of the W/2 W/2 of Section 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests underlying the non-standard spacing and proration unit in the Bone Spring formation. Said spacing and proration unit is to be dedicated to applicant's proposed **Airstrip 31 18 35 RN State Com No. 131H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Lot 4) to a standard bottom hole location in the NW/4 NW/4 (Lot 1) of Section 31. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles west of Hobbs, NM.

22. Case No. 16033: 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 a 160.53-acre,

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more or less, non-standard spacing and proration unit comprised of the W/2 E/2 of Section 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests underlying the non-standard spacing and proration unit in the Bone Spring formation. Said spacing and proration unit is to be dedicated to applicant's proposed **Airstrip 31 18 35 RN State Com No. 133H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 31. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles west of Hobbs, NM.

23. Case No. 16034: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation underlying a 320.79-acre, more or less, spacing and proration unit comprised of the S/2 of Section 20, Township 20 South, Range 29 East, Eddy County, New Mexico. Said spacing and proration unit is to be dedicated to applicant's proposed **Stebbins 20 Fed No. 204H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) to a non-standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 20. The completed interval for this well is unorthodox because it does not comply with the 660-foot setbacks for gas wells pursuant to the statewide rules. The Division has previously authorized the unorthodox location under Administrative Order NSL-7615. 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 12 miles northeast of Carlsbad, NM.

24. Case No. 16035: Application Of San Juan Resources, Inc. For Approval Of The McSimms Unit And For Allowance Of 330 Foot Setbacks From The Boundary Of The Unit, Rio Arriba County, New Mexico. Applicant seeks approval of the McSimms Unit consisting of approximately 5,428.10 acres of the following Federal and fee lands situated in Rio Arriba County, New Mexico:

TOWNSHIP 30 NORTH, RANGE 4 WEST, N.M.P.M.

Section 13:	All
Section 14:	All
Section 15:	E/2
Sections 23-26:	All
Sections 35-36:	All

The unitized interval is the stratigraphic equivalent of the Mancos formation defined at a depth of 6994 feet down to the base of the Mancos Formation at a measured depth of 8635 feet as encountered in the Carson SWD 1 well in Section 26, Township 30 North, Range 4 West, N.M.P.M. (API No. 30-039-26868). In addition, Applicant seeks an order authorizing wells to be located anywhere within the proposed Unit so long as the completed interval is no closer than 330 feet from the outer boundary of the proposed Unit. The subject acreage is located approximately 16 miles southwest of Dulce, New Mexico.

25. Case No. 16036: Application of OneEnergy Partners 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 320.87-acre, more or less, non-standard spacing and proration unit comprised of the E/2 W/2 of Section 2 and the E/2 W/2 of Section 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. Said spacing and proration unit is to be dedicated to applicant's proposed **Blue Ribbon WCA Fed Com 1H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Lot 3) of Section 2 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 11. The completed interval for this well will remain within the 330-foot standard offset required by the Statewide Rules set forth in 18.15.15 NMAC. 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 OneEnergy Partners Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles west of Jal, New Mexico.

26. Case No. 16037: Application of OneEnergy Partners 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 320.91-acre, more or less, non-standard spacing and proration unit comprised of the W/2 W/2 of Section 2 and the W/2 W/2 of Section 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. Said spacing and proration unit is to be dedicated to applicant's proposed **County Fair WCA Fed Com 1H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 2 to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 11. The completed interval for this well will remain within the 330-foot standard offset required by the Statewide Rules set forth in 18.15.15 NMAC. 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

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operating costs and charges for supervision, designation of OneEnergy Partners Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles west of Jal, New Mexico.

27. Case No. 16009: *(Continued from the March 8, 2018 Examiner Hearing.)*

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 319.91-acre spacing and proration unit comprised of the W/2 W/2 of Section 1 and the W/2 W/2 of Section 12, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be the project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Nimitz MDP1 “12” Federal Com No. 1H Well** and the proposed **Nimitz MDP1 “12” Federal Com No. 2H Well**. The **Nimitz MDP1 “12” Federal Com No. 1H Well** will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 12 to a standard bottom hole location in the NW/4 NW/4 (Lot 4) of Section 1. The **Nimitz MDP1 “12” Federal Com No. 2H Well** will be horizontally drilled from a surface location in the NE/4 NW/4 of Section 13 (Unit C) to a standard bottom hole location in the NW/4 NW/4 (Lot 4) of Section 1. The completed interval for the **Nimitz MDP1 “12” Federal Com No. 1H 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 **Nimitz MDP1 “12” Federal Com No. 2H Well** will be at a non-standard location. OXY has obtained administrative approval of a non-standard location for the **Nimitz MDP1 “12” Federal Com No. 2H 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 14 miles east of Malaga, N.M.

28. Case No. 16010: *(Continued from the March 8, 2018 Examiner Hearing.)*

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 319.99-acre spacing and proration unit comprised of the E/2 E/2 of Section 1 and the E/2 E/2 of Section 12, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be the project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Nimitz MDP1 “12” Federal Com No. 6H Well** and the proposed **Nimitz MDP1 “12” Federal Com No. 7H Well**. The **Nimitz MDP1 “12” Federal Com No. 6H Well** and the **Nimitz MDP1 “12” Federal Com No. 7H Well** will be pad drilled horizontally from a surface location in the SE/4 SE/4 (Unit P) of Section 12 to a standard bottom hole location in the NE/4 NE/4 (Lot 1) of Section 1. The completed interval for the **Nimitz MDP1 “12” 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 **Nimitz MDP1 “12” Federal Com No. 7H Well** will be at a non-standard location. OXY has obtained administrative approval of a non-standard location for the **Nimitz MDP1 “12” Federal Com No. 7H 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 14 miles east of Malaga, N.M.

29. Case No. 16011: *(Continued from the March 8, 2018 Examiner Hearing.)*

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 319.96-acre non-standard spacing and proration unit comprised of the W/2 E/2 of Section 1 and the W/2 E/2 of Section 12, Township 24 South, Range 30 East, NMPM, Eddy 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 **Nimitz MDP1 “12” Federal Com No. 8H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 13 to a standard bottom hole location in the NW/4 NE/4 (Lot 2) of Section 1. 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 OXY USA Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles east of Malaga, N.M.

30. Case No. 16012: *(Continued from the March 8, 2018 Examiner Hearing.)*

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 319.94-acre non-standard spacing and proration unit comprised of the E/2 W/2 of Section 1 and the E/2 W/2 of Section 12, Township 24 South, Range 30 East, NMPM, Eddy 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 **Nimitz MDP1 “12” Federal Com No. 9H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 13 to a standard bottom hole location in the NE/4 NW/4 (Lot 3) of Section 1. 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 OXY USA Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles east of Malaga, N.M.

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31. *Case No. 16013:* (Continued from the March 8, 2018 Examiner Hearing.)

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 160-acre non-standard spacing and proration unit comprised of the W/2 E/2 of Section 13, Township 24 South, Range 30 East, NMPM, Eddy 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 **Nimitz MDP1 "13" Federal Com No. 1H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottom hole location in the SW/4 SE/4 (Unit O) of Section 13. 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 OXY USA Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles east of Malaga, N.M.

32. *Case No. 16014:* (Continued from the March 8, 2018 Examiner Hearing.)

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 160-acre spacing and proration unit comprised of the E/2 E/2 of Section 13, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be the project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Nimitz MDP1 "13" Federal Com No. 2H Well** and the proposed **Nimitz MDP1 "13" Federal Com No. 3H Well**. Both wells will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 12 to a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 13. The completed interval for the **Nimitz MDP1 "13" Federal Com No. 3H 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 **Nimitz MDP1 "13" Federal Com No. 2H Well** will be at a non-standard location. OXY has obtained administrative approval of a non-standard location for the **Nimitz MDP1 "13" Federal Com No. 2H 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 14 miles east of Malaga, N.M.

33. *Case No. 16038:* *Application of OXY USA WTP Limited Partnership for authorization to approve a pilot pressure maintenance project in the Benson; Bone Spring Pool through its Smokey Bits State Com No. 2H well, Eddy County, New Mexico.* Applicant in the above-styled cause seeks an order authorizing a pilot pressure maintenance project in the Benson; Bone Spring Pool (Pool Code 5200) within the Second Bone Spring Sand formation to inject produced water through its **Smokey Bits State Com No. 2H well** (API No. 30-015-40196), with a surface location 1,575 feet from the North line and 75 feet from the West line (Unit E) of Section 36, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico. The maximum proposed daily injection rate will be 6,000 barrels per day with an average daily injection rate of 1,500 barrels per day. The proposed injection will occur within the Second Bone Spring formation at a depth of approximately 8,532 feet to 8,624 feet deep. The proposed project area is approximately 640 acres in size, consisting of said Section 36. The applicant requests administrative approval to convert future wells within the project area to injection pursuant to 19.15.26.8.F.3 NMAC. Applicant also requests authorization to set injection packers in the proposed injection well and all future injection wells within the project area more than 100 feet above the uppermost injection perforation. The maximum surface injection pressure will be 1,706 psi. Said well is located approximately 15 miles southwest of Maljamar, New Mexico.

34. *Case No. 16039:* *Application of Helms Oil & Gas, LLC for approval of a commercial saltwater disposal well in Unit E, Section 20, T26S, R35E, Lea County, New Mexico, 1,980 feet FNL & 660 feet FWL.* The target zone for disposal is the Upper Delaware (Bell Canyon and Cherry Canyon) from 5,620 feet to a maximum depth of 7,420 feet. Maximum injection pressure will be 1,124 psi with a maximum rate limited by such pressure. The area is located approximately 13 miles southwest of Jal, New Mexico.

35. *Case No. 16040:* *Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Cano Petro of New Mexico, Inc., for Wells Operated in Chaves and Roosevelt Counties, New Mexico.* The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Cano Petro of New Mexico, Inc. ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

36. *Case No. 16041:* (This case will be continued to the April 5, 2018 Examiner Hearing.)

Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Ram Energy LLC, for Wells Operated in Lea County, New Mexico. The Oil Conservation Division Compliance and

Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Ram Energy LLC, (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

37. ***Case No. 16042: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Westbrook Oil Corporation, for Wells Operated in Lea and Eddy Counties, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Westbrook Oil Corporation, (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

38. ***Case No. 16043: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Dwight A. Tipton, for Wells Operated in Chaves and Lea Counties, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Dwight A. Tipton, (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

39. ***Case No. 16044: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against MAR Oil and Gas Corporation, for Wells Operated in Lea and Guadalupe Counties, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator MAR Oil and Gas Corporation, (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

40. ***Case No. 16045: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Bradley McInroe dba Big Al Oil & Gas, for Wells Operated in Roosevelt and Lea Counties, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Bradley McInroe dba Big Al Oil & Gas, (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

41. ***Case No. 16046: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Bar V Barb, LLC, for Wells Operated in Chaves County, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Bar V Barb, LLC, (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the

location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

42. Case No. 16047: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Kevin O. Butler & Associates, Inc., for Wells Operated in Chaves, Eddy, and Lea Counties, New Mexico. The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Kevin O. Butler & Associates, Inc., ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

43. Case No. 16048: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Cobalt Operating, LLC, for Wells Operated in Lea County, New Mexico. The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Cobalt Operating, LLC, ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

44. Case No. 16049: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against GP II Energy, Inc., for Wells Operated in Eddy and Lea Counties, New Mexico. The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator GP II Energy, Inc., ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

45. Case No. 15984: (Continued from the March 8, 2018 Examiner Hearing.) Application of Devon Energy Production Company, L.P. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) authorizing a non-standard spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 480-acre non-standard spacing and proration unit comprised of the SE/4 of Section 30 and the E/2 of Section 31, Township 23 South, Range 29 East, Eddy County, New Mexico; and (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to the applicant's four proposed initial wells:

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

The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Devon Energy Production Company, L.P. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico.

46. Case No. 15997: (Continued from the March 8, 2018 Examiner Hearing.) Application of Devon Energy Production Company, L.P. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) authorizing a non-standard spacing

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unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 480-acre non-standard spacing and proration unit comprised of the SW/4 of Section 30 and the W/2 of Section 31, Township 23 South, Range 29 East, Eddy County, New Mexico; and (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to the applicant's four proposed initial wells:

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

The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Devon Energy Production Company, L.P. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico.

47. Case No. 15926: (Continued from the March 8, 2018 Examiner Hearing.)

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 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 20 and the E/2W/2 of Section 29, Township 21 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 W/2 of Section 20 and the E/2 W/2 of Section 29. The unit will be dedicated to the **Caper 20/29 B2CN Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SE/4 SW/4 of adjoining Section 17, and a terminus in the SE/4 SW/4 of Section 29. The producing interval of the well will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 6-1/2 miles south-southeast of the intersection of State Highway 176 and U.S. Highway 62/180.

48 Case No. 15971: (Continued from the March 8, 2018 Examiner Hearing.)

Application of Prime Rock Resources, 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 20 and the E/2 W/2 of Section 29, Township 21 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 **Olive Woolly Bugger 20-29 Federal Com #1H**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 17 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 29. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Prime Rock Resources, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 26 miles Northeast of Loving, New Mexico.

49. Case No. 15913: (Continued from the March 20, 2018 Special Examiner Hearing.)

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 478.13-acre non-standard spacing and proration unit in the Wolfcamp formation underlying Lots 3-7, SE/4 NW/4, and E/2 SW/4 (the W/2) of Section 6 and Lots 1, 2, and E/2 NW/4 (the NW/4) of Section 7, Township 24 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 **Pecos Valley W2ED Fed. Com. Well No. 1H**, a horizontal well with a surface location in Lot 3 of Section 7, and a terminus in Lot 4 of Section 6. 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 3 miles northeast of Malaga, New Mexico.

50. Case No. 15914 (readvertised): (Continued from the March 20, 2018 Special Examiner Hearing.)

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 479.88-acre non-standard spacing and proration unit in the Wolfcamp formation underlying Lots 1, 2, S/2 NE/4, and SE/4 (the E/2) of Section 6 and the NE/4 of Section 7, Township 24 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 (i) the **Pecos Valley W2AH Fed. Com. Well No. 1H**, a horizontal well with a

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surface location in Lot 1 of Section 6, and a terminus in the SE/4 NE/4 of Section 7, and (ii) the **Pecos Valley W0AH Fed. Com. Well No. 2H**, a horizontal well with a surface location in Lot 1 of Section 6, and a terminus in the SE/4 NE/4 of Section 7. 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 3-1/2 miles northeast of Malaga, New Mexico.

51. Case No. 15968: *(Continued from the March 20, 2018 Special Examiner Hearing.)*

Application of RSC Resources, LP for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all interests in the Wolfcamp formation underlying Lots 3-7, SE/4 NW/4, and E/2 SW/4 (W/2 equivalent) of Section 6, Township 24 South, Range 29 East, NMPM in Eddy County, New Mexico. Applicant seeks to establish a standard 318.77-acre \pm spacing and proration unit (project area) in the Purple Sage Wolfcamp Gas Pool (98220) in the W/2 of Section 6. The unit will be dedicated to six wells to be drilled by Applicant as follow:

(1) the **Harroun 6 Federal Com 1H** at a surface hole location of 15' FSL & 1852' FWL Section 31-T23S-R29E with an estimated bottom hole location of 330' FSL & 330' FWL Section 6-T24S-R29E to test the Wolfcamp formation at an approximate vertical depth of 10,800'. The well is planned to be drilled to an approximate total measured depth of 15,705'. The entry point into the Wolfcamp formation will be located approximately 330' FNL and 330' FWL of Section 6; (2) the **Harroun 6 Federal Com 2H** at a surface hole location of 15' FSL & 1802' FWL Section 31-T23S-R29E with an estimated bottom hole location of 330' FSL & 330' FWL Section 6-T24S-R29E to test the Wolfcamp formation at an approximate vertical depth of 9,800'. The well is planned to be drilled to an approximate total measured depth of 14,737'. The entry point into the Wolfcamp formation will be located approximately 330' FNL and 330' FWL of Section 6; (3) the **Harroun 6 Federal Com 3H** at a surface hole location of 15' FSL & 1902' FWL Section 31-T23S-R29E with an estimated bottom hole location of 330' FSL & 2310' FWL Section 6-T24S-R29E to test the Wolfcamp formation at an approximate vertical depth of 10,800'. The well is planned to be drilled to an approximate total measured depth of 15,604'. The entry point into the Wolfcamp formation will be located approximately 330' FNL and 2310' FWL of Section 6; (4) the **Harroun 6 Federal Com 4H** at a surface hole location of 15' FSL & 1952' FWL Section 31-T23S-R29E with an estimated bottom hole location of 330' FSL & 2310' FWL Section 6-T24S-R29E to test the Wolfcamp formation at an approximate vertical depth of 9,800'. The well is planned to be drilled to an approximate total measured depth of 14,602'. The entry point into the Wolfcamp formation will be located approximately 330' FNL and 2310' FWL of Section 6; (5) the **Harroun 6 Federal Com 5H** at a surface hole location of 10' FNL & 1827' FWL Section 6-T24S-R29E with an estimated bottom hole location of 330' FSL & 1330' FWL Section 6-T24S-R29E to test the Wolfcamp formation at an approximate vertical depth of 10,800'. The well is planned to be drilled to an approximate total measured depth of 15,584'. The entry point into the Wolfcamp formation will be located approximately 330' FNL and 1330' FWL of Section 6; and (6) the **Harroun 6 Federal Com 6H** at a surface hole location of 10' FNL & 1927' FWL Section 6-T24S-R29E with an estimated bottom hole location of 330' FSL & 1330' FWL Section 6-T24S-R29E to test the Wolfcamp formation at an approximate vertical depth of 9,800'. The well is planned to be drilled to an approximate total measured depth of 14,588'. The entry point into the Wolfcamp formation will be located approximately 330' FNL and 1330' FWL of Section 6.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Guardian Operating Corporation as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately four and one-half miles east of Malaga, New Mexico.