

**DOCKET: EXAMINER HEARING – THURSDAY – JULY 12, 2018**

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

The next Examiner Dockets are tentatively set for July 26, 2018 and August 9, 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 16002 - No. 76	Case 16234 - No. 63	Case 16284 - No. 33
Case 16024 - No. 78	Case 16235 - No. 64	Case 16285 - No. 34
Case 16041 - No. 57	Case 16236 - No. 65	Case 16286 - No. 35
Case 16048 - No. 58	Case 16258 - No. 68	Case 16287 - No. 36
Case 16076 - No. 81	Case 16259 - No. 69	Case 16288 - No. 37
Case 16077 - No. 82	Case 16260 - No. 70	Case 16289 - No. 38
Case 16108 - No. 72	Case 16261 - No. 71	Case 16290 - No. 39
Case 16136 - No. 77	Case 16262 - No. 8	Case 16291 - No. 40
Case 16137 - No. 1	Case 16263 - No. 9	Case 16292 - No. 41
Case 16138 - No. 2	Case 16264 - No. 10	Case 16293 - No. 42
Case 16139 - No. 3	Case 16265 - No. 11	Case 16294 - No. 43
Case 16140 - No. 4	Case 16266 - No. 12	Case 16295 - No. 44
Case 16141 - No. 5	Case 16267 - No. 13	Case 16296 - No. 45
Case 16161 - No. 79	Case 16268 - No. 14	Case 16297 - No. 46
Case 16162 - No. 80	Case 16269 - No. 15	Case 16298 - No. 47
Case 16183 - No. 66	Case 16270 - No. 16	Case 16299 - No. 48
Case 16184 - No. 67	Case 16271 - No. 17	Case 16300 - No. 49
Case 16185 - No. 74	Case 16272 - No. 18	Case 16301 - No. 50
Case 16186 - No. 75	Case 16273 - No. 19	Case 16302 - No. 51
Case 16206 - No. 59	Case 16274 - No. 20	Case 16303 - No. 52
Case 16215 - No. 73	Case 16275 - No. 21	Case 16304 - No. 53
Case 16216 - No. 6	Case 16276 - No. 25	Case 16305 - No. 54
Case 16217 - No. 7	Case 16277 - No. 26	Case 16306 - No. 55
Case 16221 - No. 62	Case 16278 - No. 27	Case 16307 - No. 56
Case 16224 - No. 22	Case 16279 - No. 28	Case 16308 - No. 61
Case 16225 - No. 23	Case 16280 - No. 29	
Case 16226 - No. 24	Case 16281 - No. 30	
Case 16228 - No. 60	Case 16282 - No. 31	
Case 16231 - No. 78	Case 16283 - No. 32	

1. **Case No. 16137:** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of Kaiser-Francis Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Kaiser-Francis Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit in the Bone Spring formation underlying the N/2 SE/4 of Section 20 and the N/2 SW/4 of Section 21, Township 23 South, Range 28 East, NMPM, and pooling all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Loving Townsite 2021 3BS Well No. 1H**, a horizontal well with a surface location in the NW/4 SE/4 of Section 20, and a terminus in the NE/4 SW/4 of Section 21. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located in the center of Loving, New Mexico

2. **Case No. 16138:** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of Kaiser-Francis Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Kaiser-Francis Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit in the Delaware formation underlying the N/2 SE/4 of Section 20 and the N/2 SW/4 of Section 21, Township 23 South, Range 28 East, NMPM, and pooling all mineral interests in the Delaware formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Loving Townsite 2021 LBC Well No. 1H**, a horizontal well with a surface location in the NW/4 SE/4 of Section 20, and a terminus in the NE/4 SW/4 of Section 21. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located in the center of Loving, New Mexico.

3. **Case No. 16139:** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of Kaiser-Francis Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Kaiser-Francis Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit in the Delaware formation underlying the S/2 SE/4 of Section 20 and the S/2 SW/4 of Section 21, Township 23 South, Range 28 East, NMPM, and pooling all mineral interests in the Delaware formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Loving Townsite 2021 LBC Well No. 2H**, a horizontal well with a surface location in the SW/4 SE/4 of Section 20, and a terminus in the SE/4 SW/4 of Section 21. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located in the center of Loving, New Mexico.

4. **Case No. 16140:** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of Kaiser-Francis Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Kaiser-Francis Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit in the Bone Spring formation underlying the S/2 SE/4 of Section 20 and the S/2S W/4 of Section 21, Township 23 South, Range 28 East, NMPM, and pooling all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Loving Townsite 2021 3BS Well No. 2H**, a horizontal well with a surface location in the SW/4 SE/4 of Section 20, and a terminus in the SE/4 SW/4 of Section 21. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well

as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located in the center of Loving, New Mexico.

5. Case No. 16141: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Kaiser-Francis Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Kaiser-Francis Oil Company seeks an order approving a 320-acre non-standard gas spacing and proration unit in the Wolfcamp formation comprised of the SE/4 of Section 20 and the SW/4 of Section 21, Township 23 South, Range 28 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to: (a) the **Loving Townsite 2021 WC Well No. 1H**, a horizontal well with a surface location in the NW/4 SE/4 of Section 20, and a terminus in the NE/4 SW/4 of Section 21; (b) the **Loving Townsite 2021 WA Well No. 1H**, a horizontal well with a surface location in the NW/4 SE/4 of Section 20, and a terminus in the NE/4 SW/4 of Section 21; (c) the **Loving Townsite 2021 WC Well No. 2H**, a horizontal well with a surface location in the SW/4 SE/4 of Section 20, and a terminus in the SE/4 SW/4 of Section 21; and (d) the **Loving Townsite 2021 WA Well No. 2H**, a horizontal well with a surface location in the SW/4 SE/4 of Section 20, and a terminus in the SE/4 SW/4 of Section 21. The beginning and end of 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 in the center of Loving, New Mexico.

6. Case No. 16216: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Devon Energy Production Company L.P. for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit comprised of the E/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Gaucha 21 Fed 6H well** to be drilled from an approximate surface location, 175 feet from the south line and 185 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 380 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately  $\frac{3}{4}$  mile west of the intersection of Highway 32 and San Simon Road.

7. Case No. 16217: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Devon Energy Production Company L.P. for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit comprised of the W/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation, underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Gaucha 21 Fed 7H well** to be drilled from an approximate surface location, 326 feet from the south line and 545 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 1580 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately  $\frac{3}{4}$  mile west of the intersection of Highway 32 and San Simon Road.

8. Case No. 16262: **Application of Chisholm Energy Operating, LLC for an unorthodox well location, a non-standard spacing and proration unit and compulsory pooling, Lea County, New**

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

**9. Case No. 16263: Application of Chisholm Energy Operating, LLC for an unorthodox well location, non-standard spacing and proration unit, and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 24 and the E/2 E/2 of Section 25, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico; (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage; and (3) approving the proposed unorthodox well location. Said non-standard unit is to be dedicated to applicant's proposed **Diamondback 24-25 Fed Com 2BS No. 2H Well** and **Diamondback 24-25 Fed Com 1BS No. 3H Well**, which will be horizontally drilled from surface locations in the NE/4 NE/4 (Unit A) of Section 24 to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 25. This project area is located within the Tonto; Bone Spring Pool (No. 59475). The completed interval for the **Diamondback 24-25 Fed Com 1BS No. 3H Well** will remain within the 330-foot standard offset required by the Division's rules. The completed interval for the **Diamondback 24-25 Fed Com 2BS No. 2H Well** will be at an unorthodox location because it is closer to the western and southwestern boundary of the proposed spacing and proration unit than allowed by the statewide rules. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 35 miles northwest of Carlsbad, New Mexico.

**10. Case No. 16264: Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit, and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 24 and the W/2 E/2 of Section 25, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Diamondback 24-25 Fed Com 2BS No. 1H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 24 to a standard bottom hole location in the SW/4 SE/4 (Unit O) of Section 25. This project area is located within the Tonto; Bone Spring Pool (No. 59475). The completed interval for the well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 35 miles northwest of Carlsbad, New Mexico.

**11. Case No. 16265: Application of Centennial Resource Production, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-

styled cause seeks an order (1) creating a 240-acre, more or less, spacing and proration unit comprised of the E/2 SE/4 of Section 1 and E/2 E/2 of Section 12, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Duck Hunt State Com No. 601H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 1 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 12. The completed interval for this well will be at an unorthodox location because it is closer to the southern and southeastern boundaries of the proposed spacing and proration unit than allowed by the statewide rules. Centennial is seeking separate administrative approval for this unorthodox well location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Centennial Resource Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles southwest of Eunice, New Mexico.

**12. Case No. 16266: Application of Centennial Resource Production, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 240-acre, more or less, spacing and proration unit comprised of the W/2 SE/4 of Section 1 and W/2 E/2 of Section 12, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Duck Hunt State Com No. 602H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 1 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 12. The completed interval for this well will be at an unorthodox location because it is closer to the southern and southeastern boundaries of the proposed spacing and proration unit than allowed by the statewide rules. Centennial is seeking separate administrative approval for this unorthodox well location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Centennial Resource Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles southwest of Eunice, New Mexico.

**13. Case No. 16267: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 306.40-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Vasaly 002** (API No. 30-045-20328) in the Mesaverde formation with a surface location in Unit K of the W/2 of Section 31, Township 32 North, Range 11 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Vasaly 002 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 16 miles northwest of Bloomfield, NM.

**14. Case No. 16268: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 311.39-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Davis 013E** (API No. 30-045-24018) in the Mesaverde formation with a surface location in Unit L of the W/2 of

Section 1, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Davis 013E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 15 miles northwest of Bloomfield, NM.

**15. Case No. 16269: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Dusenberry 003** (API No. 30-045-11042) in the Mesaverde formation with a surface location in Unit I of the E/2 of Section 1, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Dusenberry 003 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 15 miles northwest of Bloomfield, NM.

**16. Case No. 16270: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 320-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Mansfield 011** (API No. 30-045-20992) in the Mesaverde formation with a surface location in Unit N of the W/2 of Section 29, Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Mansfield 011 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 11 miles northeast of Bloomfield, NM.

**17. Case No. 16271: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 320-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Hubbard Com 001** (API No. 30-045-11827) in the Mesaverde formation with a surface location in Unit I of the S/2 of Section 25, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Hubbard Com 001 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 17 miles northwest of Bloomfield, NM.

**18. Case No. 16272: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 320-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Newberry A 004** (API No. 30-045-12185) in the Mesaverde formation with a surface location in Unit J of the E/2 of Section 34, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Newberry A 004 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 16 miles northwest of Bloomfield, NM.

19. **Case No. 16273: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce four Mesaverde gas wells in the same standard 320-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Day State 002E** (API No. 30-045-25008) in the Mesaverde formation with a surface location in Unit H of the N/2 of Section 32, Township 32 North, Range 11 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Day State 002E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 16 miles northwest of Bloomfield, NM.

20. **Case No. 16274: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five or six Mesaverde gas wells in the same standard 320-acre, more or less, spacing and proration unit, and three wells within the same two quarter sections. Hilcorp further seeks approval for the proposed location of the **Newberry B 001** (API No. 30-045-12186), with a surface location in Unit C, and **Newberry B 001E** (API No. 30-045-24924), with a surface location in Unit M, both in the Mesaverde formation with surface locations in the W/2 of Section 35, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Newberry B 001 Well and Newberry B 001E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 17 miles northwest of Bloomfield, NM.

21. **Case No. 16275: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 320-acre, more or less, spacing and proration unit, three wells within the same quarter section, and two wells within the same quarter-quarter section. Hilcorp further seeks approval for the proposed location of the **Moore 001E** (API No. 30-045-25695) in the Mesaverde formation with a surface location in Unit J of the E/2 of Section 35, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Moore 001E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 16 miles northwest of Bloomfield, NM.

22. **Case No. 16224: Amended Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of the Blanco-Pictured Cliffs Pool (72359), Rio Arriba County, New Mexico, to permit an additional well within a standard spacing and proration unit. The subject acreage is comprised of Lots 7 and 8 and the S/2 NW/4 and SW/4 of Section 5, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico and is currently dedicated to the **San Juan 29-7 Unit No. 168 Well** (API No. 30-039-26652) and the **San Juan 29-7 Unit No. 159 Well** (API No. 30-039-25856). Each of these wells are located in separate quarter sections and producing from the Blanco-Pictured Cliffs Pool. Applicant seeks approval to add a third well, the **San Juan 29-7 Unit No. 79M Well** (API No. 30-039-29972), in the Blanco Pictured Cliffs Pool underlying this acreage. Said area is located approximately 13 miles east of Blanco, NM.

23. **Case No. 16225: Amended Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of the Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico, to an additional well within a standard spacing and proration unit. The subject acreage is comprised of the W/2 of Section 16, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico and is currently dedicated to the **San Juan 29-7 Unit No. 181 Well** (API No. 30-039-26995) and the **San Juan 29-7 Unit No. 92 Well** (API No. 30-039-07600). Each of these wells are located in separate quarter sections and producing from the Blanco-Pictured Cliffs Pool. Applicant seeks approval to add a third well, the **San Juan 29-7 Unit No. 92B Well** (API No. 30-039-07600), in the Blanco-Pictured Cliffs Pool underlying this acreage. Said area is located approximately 14 miles east of Blanco, NM.

24. **Case No. 16226: Amended Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of the Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico, to permit an additional well within a standard spacing and proration unit. The subject acreage is comprised of Lots 8 and 9 and the S/2 NE/4 and SE/4 of Section 6, Township 29 North, Range 7 West, Rio Arriba County, New Mexico and is currently dedicated to the **San Juan 29-7 Unit No. 584 Well** (API No. 30-039-25654) and the **San Juan 29-7 Unit No. 170 Well** (API No. 30-039-26745). Each of these wells are located in separate quarter sections and producing from the Blanco-Pictured Cliffs Pool. Applicant seeks approval to add a third well, the **San Juan 29-7 Unit 46B Well** (API No. 30-039-26142), in the Blanco-Pictured Cliffs Pool underlying this acreage. Said area is located approximately 12 miles east of Blanco, NM.

25. **Case No. 16276: Application of OneEnergy Partners, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a non-standard 240-acre  $\pm$  oil spacing and proration unit in the Wolfcamp formation comprised of the E/2 SE/4 of Section 13 and E/2 E/2 of Section 24, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Donkey Kong Fed Com 1H** well to be drilled from an approximate surface location 2263 feet from the south line and 328 feet from the east line of Section 13 to a bottomhole location 380 feet from the south line and 380 feet from the east line of Section 24, Township 25 South, Range 35 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 1.1 miles south of Custer Mountain, New Mexico.

26. **Case No. 16277: Application of OneEnergy Partners, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a non-standard 160-acre  $\pm$  oil spacing and proration unit in the Bone Spring formation (96553) comprised of Lot 4, SW/4 NW/4, W/2 SW/4 of Section 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Georgetown BS3 Fed Com 1H** well to be drilled from an approximate surface location 285 feet from the north line and 1,295 feet from the west line to a bottomhole location 380 feet from the south line and 940 feet from the west line of Section 4, Township 24 South, Range 35 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.6 miles east of Antelope Draw, New Mexico.



27. ***Case No. 16278: Application of M & M Energy, LLC for pool creation, a discovery allowable, and special pool rules, Lea County, New Mexico.*** M & M Energy, LLC seeks an order (i) creating a new pool for oil production from the Yates-Seven Rivers-Queen formation, to be named the North Urssey Tank-Yates Seven Rivers Pool, comprising the NE/4 of Section 26, Township 21 South, Range 35 East, NMPM, (ii) granting applicant a discovery allowable, and (iii) establishing special rules and regulations for the pool, including a special depth bracket allowable of 1200 barrels of oil per day, effective as of May 1, 2018. The discovery well for the pool is the State 26 Well No. 1, located 601 feet from the north line and 2018 feet from the east line of Section 26. The proposed pool is located approximately 5 miles southwest of Oil Center, New Mexico.

28. ***Case No. 16279: Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 200-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the SE/4SW/4 and S/2SE/4 of Section 11 and the S/2SW/4 of Section 12, Township 19 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to the Sapphire 11/12 B2NN State Com. Well No. 1H and the Sapphire 11/12 B3NN State Com. Well No. 2H, horizontal wells with surface locations in the SE/4SW/4 of Section 11, and bottomhole locations in the SE/4SW/4 of Section 12. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 11 miles south-southwest of Loco Hills, New Mexico.

29. ***Case No. 16280: Application of Forty Acres Energy, LLC to remove Apache Corporation as operator of seven wells in the West Eumont Unit, Lea County, New Mexico.*** Applicant seeks an order removing Apache Corporation as operator of the wells described below, and approving applicant as operator of the wells:

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

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

30. ***Case No. 16281: Application of Novo Oil & Gas, LLC for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order creating a 279.42-acre non-standard spacing unit and proration unit (project area) in the Bone Spring formation comprised of Lots 1 – 4 (N/2N/2) of Section 6 and Lots 2, 3 and 4 (N/2NW/4 and NW/4NE/4) of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 1 5 23S 29E 2B #1H well** which will be horizontally drilled from a surface location in the NE/4NE/4 of Section 1, Township 23 South,

Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NW/4NE/4 of Section 5, Township 23 South, Range 29 East. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

**31. Case No. 16282: Application of Novo Oil & Gas, LLC for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order creating a 320-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2S/2 of Section 4 and S/2S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 6 4 23S 29E 3B #1H well** which will be horizontally drilled from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

**32. Case No. 16283: Application of Novo Oil & Gas, LLC for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order creating a 320-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2S/2 of Section 4 and N/2S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 6 4 23S 29E 3B #2H well** which will be horizontally drilled from a surface location in the NE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the NW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the NE/4SE/4 of Section 4, Township 23 South, Range 29 East. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

**33. Case No. 16284: Application of Novo Oil & Gas, LLC for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order creating a 320.36-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the Lot 1 (NE/4NE/4), SE/4NE/4 and E/2SE/4 of Section 5 and E/2E/2 of Section 8, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 5 8 23S 29E 2B #1H well** which will be horizontally drilled from a surface location in the NE/4NE/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 8, Township 23 South, Range 29 East. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

34. ***Case No. 16285: Application of Novo Oil & Gas, LLC for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order creating a 636.30-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the N/2 of Section 5 and N/2 of Section 6, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 1 5 WB 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NE/4NE/4 of Section 5, Township 23 South, Range 29 East, and the **Rana Salada Fed Com 1 5 WXY 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NE/4NE/4 of Section 5, Township 23 South, Range 29 East. The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

35. ***Case No. 16286: Application of Novo Oil & Gas, LLC for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order creating a 640-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the S/2 of Section 4 and S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 6 4 WB 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East, and the **Rana Salada Fed Com 6 4 WXY 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East. The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

36. ***Case No. 16287: Application of Apache Corporation for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order from the Division: (1) creating a 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the S/2 S/2 of Section 21, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Palmillo 21 State Com #225H well**, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northeast

of Carlsbad, New Mexico.

**37. Case No. 16288: Application of Apache Corporation for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the N/2 S/2 of Section 21, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the Palmillo 21 State Com #226H well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northeast of Carlsbad, New Mexico.

**38. Case No. 16289: Application of Apache Corporation for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the S/2 N/2 of Section 21, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the Palmillo 21 State Com #227H well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northeast of Carlsbad, New Mexico.

**39. Case No. 16290: Application of Apache Corporation for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the N/2 N/2 of Section 21, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the Palmillo 21 State Com #228H well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northeast of Carlsbad, New Mexico.

**40. Case No. 16291: Application of Cimarex Energy Co. of Colorado for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 640-acre, more or less, spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Sections 11 and 14, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the Bradley 14-11 Federal Com 1H well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles southwest of Loving, New Mexico.

41. **Case No. 16292: Application of Cimarex Energy Co. of Colorado for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 640-acre, more or less, spacing and proration unit in the Wolfcamp formation, comprised of the E/2 of Sections 3 and 10, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Cherry Hills 10-3 Federal Com 1H** well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles southwest of Loving, New Mexico.

42. **Case No. 16293: Application of Cimarex Energy Co. for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the W/4 of Sections 11 and 14, Township 24 South, Range 27 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Dos Equis 11-14 Federal Com**, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 26 miles southwest of Hobbs New Mexico.

43. **Case No. 16294: Application of Cimarex Energy Co. for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/4 of Section 21, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Mescalero Ridge 21 Federal 1H**, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 21 miles southwest of Hobbs, New Mexico.

44. **Case No. 16295: Application of Cimarex Energy Co. for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 320-acre, more or less, oil spacing and proration unit in the Wolfcamp formation, comprised of the E/4 of Sections 32, Township 25 South, Range 33 East and E/4 of Section 5, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Red Hills Unit 127H**, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles west of Jal, New Mexico.

45. **Case No. 16296: Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a standard spacing 320-

acre, more or less, spacing and proration unit covering the S/2 of Section 1, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying standard spacing and proration unit. This proposed standard spacing and proration unit will be the project area for the **Gladius Fee 23 27 1 WA 15H, Gladius Fee 23 27 1 WD 16H, Gladius Fee 23 27 1 WXY 18H, and Gladius Fee 23 27 1 WXY 12H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 6 miles south-southwest of Carlsbad, New Mexico.

**46. Case No. 16297: Application of Marathon Oil Permian LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard spacing 160-acre, more or less, spacing and proration unit covering the N/2 S/2 of Section 1, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Gladius Fee 23 27 1 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. Said area is located approximately 6 miles south-southwest of Carlsbad, New Mexico.

**47. Case No. 16298: Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit in covering the E/2 of Section 1, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed standard spacing and proration unit. This proposed standard spacing and proration unit will be the unit for the **Whistle Pig 25-28-1 WA 4H** and **Whistle Pig 25-28-1 WXY 9H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8 miles southeast of Malaga, New Mexico.

**48. Case No. 16299: Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a 160-acre, more or less, spacing and proration unit in covering the E/2 E/2 of Section 1, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Whistle Pig 25-28-1 TB 5H** well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles southeast of Malaga, New Mexico.

**49. Case No. 16300: Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the W/2 W/2 of Section 29, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this

proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Zeus Fee 23 28 29 SB 13H** well, to be horizontally drilled. Alternatively, if the Division finds that development using 1.5 mile laterals is preferable, Marathon seeks an order from the Division: (1) creating a 240 acre non-standard spacing and proration unit comprised of the W/2 W/2 of Section 29 and the W/2 NW/4 of Section 32, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interest in the Bone Spring formation underlying this acreage. This alternative proposed non-standard spacing and proration unit will contain federal acreage and, as a result, the wells will be named the **Zeus Federal 23 28 29 SB 13H**. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 2 miles southwest of Loving, New Mexico.

**50. Case No. 16301: Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 320-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Sections 16 and 21, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Dobro Federal 24-28-16 SB 1H** well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 1-1 ½ mile west of Malaga, New Mexico.

**51. Case No. 16302: Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 320-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the W/2 E/2 of Sections 16 and 21, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Dobro Federal 24-28-16 TB 6H and Dobro Federal 24-28-16 SB 8H** wells, to be horizontally drilled. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 1-1 ½ mile west of Malaga, New Mexico.

**52. Case No. 16303: Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a 640-acre, more or less, spacing and proration unit in covering the E/2 of Sections 16 and 21, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be dedicated to the **Dobro Federal 24-28-16 WXY 2H, Dobro Federal 24-28-16 WA 4H, Dobro Federal 24-28-16 WXY 9H, Dobro Federal 24-28-16 WD 3H, Dobro Federal 24-28-16 WD 5H, Dobro Federal 24-28-16 WD 7H, and Dobro Federal 24-28-16 WD 10H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 1-1 ½ mile west of Malaga, New Mexico.

53. **Case No. 16304: Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a 640-acre, more or less, spacing and proration unit in covering the S/2 of Sections 7 and 8, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Crossbow 23 27 8 WXY 2H** and **Crossbow 23 27 8 WA 4H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8 miles southwest of Carlsbad, New Mexico.

54. **Case No. 16305: Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a 160-acre, more or less, spacing and proration unit in covering the S/2 S/2 of Section 8, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Crossbow Federal 23-27-8 TB** well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles southwest of Carlsbad, New Mexico.

55. **Case No. 16306: Application of Marathon Oil Permian LLC for approval of a non-standard spacing and proration unit, non-standard locations, and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit in covering the W/2 of Section 15, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico; (2) approving non-standard locations; and, (3) pooling all mineral interests in the Wolfcamp formation underlying this proposed standard spacing and proration unit. This proposed standard spacing and proration unit will be the unit for the **Flowmaster Fee 24-34-15 WXY 2H, Flowmaster Fee 24-34-15 WA 6H, and Flowmaster Fee 24-34-15 WA 14H** wells, to be horizontally drilled. The producing areas for these wells will contain unorthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles northwest of Jal, New Mexico.

56. **Case No. 16307: Application of Marathon Oil Permian LLC for approval of non-standard locations and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit in covering the W/2 of Section 15, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico; (2) approving non-standard locations; and, (3) pooling all mineral interests in the Wolfcamp formation underlying this proposed standard spacing and proration unit. This proposed standard spacing and proration unit will be the unit for the **Flowmaster Fee 24-34-15 WD 3H** well, to be horizontally drilled. The producing areas for this well will contain unorthodox locations. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 17 miles northwest of Jal, New Mexico.

57. **Case No. 16041:** (Continued from the June 28, 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)..

58. ***Case No. 16048:*** (Continued from the June 28, 2018 Examiner Hearing.)

***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).

59. ***Case No. 16206:*** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against D.J. Simmons Company Limited Partnership, for Wells Operated in San Juan 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 D. J. Simmons, 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).

60. ***Case No. 16228:*** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Tandem Energy Corporation, for Wells Operated in Eddy and Lea Counties, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Tandem Energy Corporation, (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the

event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

**61. Case No. 16308: Application of Mesquite SWD, Inc. to Amend Administrative Order SWD-1696 for a Salt Water Disposal Well in Eddy County, New Mexico.** Applicant seeks an order from the Division amending Administrative Order SWD-1696 to permit an increase in the diameter of the injection tubing in its Mesa Verde SWD Well No. 3 to allow for the use of 7 inch tubing inside the surface and intermediate casings and 5 ½ inch tubing inside the liner. The subject well is located in Unit N of Section 13, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico. Said well is located approximately 30 miles east of Carlsbad, New Mexico.

**62. Case No. 16221: (Continued from the June 28, 2018 Examiner Hearing.)**  
**-Application of EOG Resources, Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre spacing and proration unit comprised of the N/2 S/2 of Section 23 and the N/2 S/2 of Section 24, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Spork 24 Fed Com No. 301H Well** and **Spork 24 Fed Com No. 501H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 24 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 23. The completed intervals for these wells will commence and remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles southeast of Artesia, New Mexico.

**63. Case No. 16234: (Continued from the June 28, 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 480-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the NE/4 of Section 21 and the E/2 of Section 16, 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 **Credence 21/16 W0HA State Com. Well No. 1H** and the **Credence W0HA State Com. Well No. 2H**, horizontal wells with surface locations in the SE/4 NE/4 of Section 21, and bottomhole locations in the NE/4 NE/4 of Section 16. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 1 mile west of Malaga, New Mexico

**64. Case No. 16235: (Continued from the June 28, 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 480-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the NW/4 of Section 21 and the W/2 of Section 16, 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 **Credence 21/16 W2ED State Com. Well No. 1H** and the **Credence W0ED State Com. Well No. 2H**, horizontal wells with surface locations in the SW/4 NW/4 of Section 21, and bottomhole locations in the NW/4 NW/4 of Section 16. Also to be considered will be the

cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 1-1/2 mile west of Malaga, New Mexico.

65.. **Case No. 16236:** (Continued from the June 28, 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 S/2 of Section 9 and the S/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 WOIL Fee Well No. 1H**, a horizontal well with a surface location in the SE/4 NE/4 of Section 9, and a bottomhole location in the NW/4 SW/4 of Section 8. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 2 miles west-northwest of Malaga, New Mexico.

66. **Case No. 16183:** (Continued from the June 28, 2018 Examiner Hearing.)

***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 S/2 N/2 of Section 24 and the S/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 B2HE Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SE/4 NE/4 of Section 24, and a terminus 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.

67. **Case No. 16184:** (Continued from the June 28, 2018, Examiner Hearing.)

***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 S/2 of Section 24 and the N/2 S/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 B2IL Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NE/4 SE/4 of Section 24, and a terminus 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.

68. **Case No. 16258:** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of Delaware Energy, LLC for Authorization to Inject Salt Water for Purposes of Disposal Through Its Proposed Bear Trap SWD #1 Well, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order authorizing injection of produced water for disposal purposes through its proposed **Bear Trap SWD #1**, with a surface location, 660 feet from the West line and 1470 feet from the South line Unit L of Section 3, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. The maximum proposed daily injection rate will be approximately 25,000 barrels per day. The proposed

injection will occur within the Devonian formation at a depth of approximately 13,280 feet to 14,280 feet deep. The maximum injection pressure will be 2,656 psi. The location of the proposed injection is approximately 6 miles northwest of Malaga, New Mexico.

69. **Case No. 16259:** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of Delaware Energy, LLC for Authorization to Inject Salt Water for Purposes of Disposal Through Its Proposed Giant Panda SWD #1 Well, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order authorizing injection of produced water for disposal purposes through its proposed **Giant Panda SWD #1**, with a surface location, 240 feet from the South line and 175 feet from the East line Unit P of Section 9, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. The maximum proposed daily injection rate will be approximately 25,000 barrels per day. The proposed injection will occur within the Devonian formation at a depth of approximately 13,255 feet to 14,255 feet deep. The maximum injection pressure will be 2,651 psi. The location of the proposed injection is approximately 6 miles west of Malaga, New Mexico.

70. **Case No. 16260:** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of Delaware Energy, LLC for Authorization to Inject Salt Water for Purposes of Disposal Through Its Proposed Grizzly SWD #1 Well, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order authorizing injection of produced water for disposal purposes through its proposed **Grizzly SWD #1**, with a surface location, 2,400 feet from the South line and 1170 feet from the West line Unit L of Section 11, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. The maximum proposed daily injection rate will be approximately 25,000 barrels per day. The proposed injection will occur within the Devonian formation at a depth of approximately 13,420 feet to 14,420 feet deep. The maximum injection pressure will be 2,684 psi. The location of the proposed injection is approximately 5 miles west of Malaga, New Mexico.

71. **Case No. 16261:** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of Delaware Energy, LLC for Authorization to Inject Salt Water for Purposes of Disposal Through Its Proposed Kodiak SWD #1 Well, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order authorizing injection of produced water for disposal purposes through its proposed **Kodiak SWD #1**, with a surface location, 200 feet from the South line and 250 feet from the East line Unit P of Section 5, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. The maximum proposed daily injection rate will be approximately 25,000 barrels per day. The proposed injection will occur within the Devonian formation at a depth of approximately 13,095 feet to 14,095 feet deep. The maximum injection pressure will be 2,792 psi. The location of the proposed injection is approximately 8 miles northwest of Malaga, New Mexico

72. **Case No. 16108** (Continued from the June 28, 2018, Examiner Hearing.)

***Application of OneEnergy Partners, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard 160-acre ± oil spacing and proration unit in the Bone Spring formation (96553) comprised of Lot 4, SW/4 NW/4, W/2 SW/4 of Section 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Georgetown BS3 Fed Com 1H** well to be drilled from an approximate surface location, 285 feet from the north line and 1,295 feet from the west line to a bottomhole location 380 feet from the south line and 940 feet from the west line of Section 4, Township 24 South, Range 35 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.6 miles east of Antelope Draw, New Mexico.

73. **Case No. 16215:** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of OneEnergy Partners, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard 160-acre ± oil spacing and proration unit in the Wolfcamp formation comprised of the W/2 W/2 (Lot 4, SW/4 NW/4, W/2 SW/4) of Section 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Georgetown WCA Fed Com 1H** well to be drilled from an approximate surface location, 250 feet from the north line and 1,270 feet from the west line to a bottomhole location 380 feet from the south line and 660 feet from the west line of Section 4, Township 24 South, Range 35 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 18½ miles southwest of Eunice, New Mexico.

74. **Case No. 16185:** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 240-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2 NW/4 of Section 29 and the N/2 N/2 of Section 30, Township 18 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to the **Pavo Frio 29/30 B2CD Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NW/4 NE/4 of Section 29, and a terminus in the NW/4 NW/4 of Section 30. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles southwest of Loco Hills, New Mexico.

75. **Case No. 16186:** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 240-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2 NW/4 of Section 29 and the S/2 N/2 of Section 30, Township 18 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to the **Pavo Frio 29/30 B2FE Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SW/4 NE/4 of Section 29, and a terminus in the SW/4 NW/4 of Section 30. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles southwest of Loco Hills, New Mexico.

76. **Case No. 16002 (re-opened):** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of Mewbourne Oil Company to re-open Case No. 16002 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 risk involved in drilling and completing the wells. The unit is located approximately 2 miles west-northwest of Malaga, New Mexico.

77. **Case No. 16136:** (Continued from the June 28, 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 E/2 of Section 12 and the E/2 of Section 1, Township 24 South, Range 26 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the **Riverboat 12/1 WOPA Fed. Com. Well No. 1H** and the **Riverboat 12/1 W2PA Fed. Com. Well No. 1H**. Both wells are horizontal wells with surface locations in the SE/4 SE/4 of Section 12, and bottomhole locations in the NE/4 NE/4 of Section 1. 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 2-1/2 miles north of Black River Village, New Mexico.

78. **Case No. 16231:** (Continued from the June 28, 2018 Examiner Hearing)

***Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 9, Township 23 South, Range 28 East, NMPM (Purple Sage-Wolfcamp Gas Pool), to form a standard 318.94-acre gas spacing and proration unit. The unit will be dedicated to the **Jack Sleeper 09-23S-28E RB Well No. 201H**, a horizontal well with a surface location in the SW/4 SW/4, and a bottomhole location in the NW/4 NW/4, of Section 9. The producing interval will be unorthodox. 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 Matador Production Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 2 miles north of Loving, New Mexico.

**The following cases will be heard on July 13, 2018.**

79. **Case No. 16024:** (Continued from the June 28, 2018 Examiner Hearing.)

***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.

**80. Case No. 16161:** (Continued from the June 28, 2018 Examiner Hearing.)

***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 240-acre spacing and proration unit comprised of the W/2 W/2 of Section 29 and the W/2 NW/4 of Section 32, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **BTA-Ogden 20509 29-32 Fed Com #9H Well**, which will be horizontally drilled from a standard surface location in the NW/4 NW/4 (Unit D) of Section 29 with a standard bottom hole location in the SW/4 NW/4 (Unit E) 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 BTA Oil Producers, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 2 miles southwest of Loving, N.M.

**81. Case No. 16162:** (Continued from the June 28, 2018 Examiner Hearing.)

***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 240-acre spacing and proration unit comprised of the E/2 W/2 of Section 29 and the E/2 NW/4 of Section 32, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **BTA-Ogden 20509 29-32 Fed Com #10H Well**, which will be horizontally drilled from a standard surface location in the NE/4 NW/4 (Unit C) of Section 29 with a standard bottom hole location in the SE/4 NW/4 (Unit F) 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 BTA Oil Producers, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 2 miles southwest of Loving, N.M.

**82. Case No. 16076:** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order from the Division: pooling all mineral interests in the Wolfcamp formation underlying the standard 320-acre, more or less, spacing and proration unit comprised of the W/2 of Section 29, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. This proposed standard spacing and proration unit will be the project area for the **Zeus Fee 23 28 29 WXY 12H, Zeus Fee 23 28 29 WXY 17H, Zeus Fee 23 28 29 WD 16H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 2 miles southwest of Loving, New Mexico.

**83. Case No. 16077:** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the E/2 W/2 of Section 29, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico;

and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Zeus Fee 23 28 29 TB 15H well**, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 2 miles southwest of Loving, New Mexico.