

**DOCKET: OIL CONSERVATION DIVISION HEARINGS - THURSDAY, JANUARY 9, 2020**

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

Applications for hearing shall be filed at least thirty (30) days in advance of the hearing date. A party who intends to present evidence shall file a pre-hearing statement no later than the close of business on the Thursday prior to the hearing date and serve a copy on the other parties, if any. The hearing examiner will dismiss the application if the applicant does not file and serve a pre-hearing statement as specified above. A party desiring to use projection equipment at the hearing shall contact Florene Davidson, OCD Clerk, no later than seven (7) business days prior to the hearing.

**NOTICE: The hearing examiner may call the following cases in any order in his or her discretion.**

**1. Case No. 20918:** (This case will be continued to January 23, 2020.)

(This case was continued from the December 12, 2019, hearing. OCD will hear XTO's motion to continue and Novo's motion to dismiss.)

**Application of XTO Delaware Basin, LLC to Amend Order No. R-20568 By Excluding Federal Unit Acreage from Horizontal Spacing Unit, Eddy County New Mexico.** Applicant seeks an amended order that excludes its federal unit acreage from the horizontal spacing unit that was approved in Order No. R-20568. The order approved a 320-acre horizontal spacing unit comprised of the N/2 S/2 of Sections 4 and 5, Township 23 South, Range 29 East in Eddy County and pooled all uncommitted mineral interests in the Bone Spring formation at all depths below 8,773 feet subsurface to the stratigraphic equivalent of the Bone Spring formation at 9,865 feet. Applicant is the federally-approved operator of the Big Eddy Unit, which is comprised of 132,182.32 acres in Eddy and Lea Counties and includes the N/2 SE/4 of Section 4, Township 23 South in Eddy County.

**2. Case No. 20919:** (This case will be continued to January 23, 2020.)

(This case was continued from the December 12, 2019, hearing. OCD will hear XTO's motion to continue and Novo's motion to dismiss.)

**Application of XTO Delaware Basin, LLC to Amend Order No. R-20249 By Excluding Federal Unit Acreage from Horizontal Spacing Unit, Eddy County New Mexico.** Applicant seeks an amended order that excludes its federal unit acreage from the horizontal spacing unit that was approved in Order No. R-20249. The order approved a 640-acre horizontal spacing unit comprised of the S/2 of Sections 4 and 5, Township 23 South, Range 29 East in Eddy County and pooled all uncommitted mineral interests in the Wolfcamp formation underling the horizontal spacing unit. Applicant is the federally-approved operator of the Big Eddy Unit, which is comprised of 132,182.32 acres in Eddy and Lea Counties and includes the N/2 SE/4 of Section 4, Township 23 South in Eddy County.

**3. Case No. 20979: Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico.**

Applicant in the above styled cause seeks an order (1) creating a 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2E/2 of Sections 30 and 31, Township 25 South, Range 28 East, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation. Said spacing unit shall be dedicated to the **Myox 31 State Com Well No. 501H** with a surface location in the SE/4SE/4 (Unit P) of Section 31 and a bottom hole location in NE/4NE/4 (Unit A) of Section 30. The completed interval and the first and last take points for these wells will remain within the standard offset required by the Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells, and a 200% penalty for risk involved in the drilling the wells. Said area is approximately 8 miles southwest of Malaga, New Mexico.

**4. Case No. 20980: Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above styled cause seeks an order (1) creating a 320-acre, more or less, horizontal spacing and proration unit comprised of the W/2E/2 of Sections 30 and 31, Township 25 South, Range 28 East, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation. Said spacing unit shall be dedicated to the **Myox 31 State Com Well No. 502H** with a surface location in the SW/4SE/4 (Unit O) of Section 31 and a bottom hole location in NW/4NE/4 (Unit B) of Section 30. The completed interval and the first and last take points for these wells will remain within the standard offset required by the Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells, and a 200% penalty for risk involved in the drilling the wells. Said area is approximately 8 miles southwest of Malaga, New Mexico.

**5. Case No. 20981: Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above styled cause seeks an order (1) creating a 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2W/2 of Sections 30 and 31, Township 25 South, Range 28 East, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation. Said spacing unit shall be dedicated to the **Myox 31 State Com Well No. 503H** with a surface location in the SE/4SW/4 (Unit N) of Section 31 and a bottom hole location in NE/4NW/4 (Unit C) of Section 30. The completed interval and the first and last take points for these wells will remain within the standard offset required by the Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells, and a 200% penalty for risk involved in the drilling the wells. Said area is approximately 8 miles southwest of Malaga, New Mexico.

**6. Case No. 20982: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Parade State 603H** well and the **Beauty Queen Fed Com 604H** well, to be horizontally drilled. The producing area for the **Parade State 603H** well will be unorthodox. The producing area for the **Beauty Queen Fed Com 604H** well will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the first well is drilled and when the wells are completed. Said area is located approximately 9 miles Northwest of Jal, New Mexico.

**7. Case No. 20983: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Parade State 704H** 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 Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and completion of the well. Said area is located approximately 9 miles Northwest of Jal, New Mexico.

**8. Case No. 20984: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Beauty Queen Fed Com 705H** 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 Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and completion of the well. Said area is located approximately 9 miles Northwest of Jal, New Mexico.

**9. Case No. 20985: Application of NGL Water Solutions Permian, LLC for approval of salt water disposal well in Lea County, New Mexico.** Applicant seeks an order approving the **Striker 4 SWD #1** well, with a surface location 850 feet from the South line and 174 feet from the West line of Section 24, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant requests authorization to inject salt water into the Bell and Cherry Canyon formations at a depth of 5,437 to 7,200'. Applicant requests that the Division approve a maximum daily injection rate for the well of 20,000 bbls per day. Said location is approximately 15 miles west of Jal, New Mexico.

**10. Case No. 20986: Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the N/2 of Section 32 and the NW/4 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to two initial proposed wells: (1) the **Uraninite 32-33 State Fed Com 332H Well**, and (2) the **Uraninite 32-33 State Fed Com 333H Well**. These wells will be horizontally drilled from a common surface location in the NW/4 NW/4 (Unit D) of Section 32 to bottom hole locations in the NE/4 NW/4 (Unit C) and the SE/4 NW/4 (Unit F) of Section 33. The completed interval of the **Uraninite 32-33 State Fed Com 332H Well** will remain within 330 feet of the S/2 N/2 of Section 32 and the S/2 NW/4 of Section 33 to allow inclusion of these proximity tracts into a standard 480-acre horizontal well spacing comprised of the N/2 of Section 32 and the NW/4 of Section 33. Also to be considered will be the cost of drilling and completing the wells, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of the applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 15 miles northeast of Carlsbad, New Mexico.

**11. Case No. 20987: Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 480-acre horizontal spacing unit comprised of the S/2 of Section 32 and the SW/4 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to three initial proposed wells: (1) the **Uraninite 32-33 State Fed Com 334H Well**, (2) the **Uraninite 32-33 State Fed Com 335H Well**, and (3) the **Uraninite 32-33 State Fed Com 336H Well**. These wells will be horizontally drilled from a common surface location in the SW/4 SW/4 (Unit M) of Section 32 to bottom hole locations in the NE/4 SW/4 (Unit K) and the SE/4 SW/4 (Unit N) of Section 33. The completed interval of the **Uraninite 32-33 State Fed Com 335H Well** will remain within 330 feet of the N/2 S/2 of Section 32 and the S/2 NW/4 of Section 33 to allow inclusion of these proximity tracts into a standard 480-acre horizontal well spacing comprised of the S/2 of Section 32 and the SW/4 of Section 33. Also to be considered will be the cost of drilling and completing the wells, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of the Applicant as operator,

and the imposition of a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 15 miles northeast of Carlsbad, New Mexico.

**12. Case No. 20988: Application of Ostrich Oil and Gas LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of W/2 of Section 10, Township 22 South, Range 32 East, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial **Frizzle Freedom 10 BS Fed Com #1H Well** to be drilled from a surface hole location in NW/4 NW/4 (Unit D) of Section 10, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 10. The completed interval for the proposed **Frizzle Freedom 10 BS Fed Com #1H Well** will be within 330' of the quarter-quarter line separating the W/2 W/2 and the E/2 W/2 of Section 10 to allow inclusion of this acreage into a standard 320-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing the well. Said area is located approximately 25 miles east of Loving, New Mexico.

**13. Case No. 20989: Application of Ostrich Oil and Gas LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of W/2 of Section 10, Township 22 South, Range 32 East, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial **Frizzle Freedom 10 WC Fed Com #2H Well** to be drilled from a surface hole location in NW/4 NW/4 (Unit D) of Section 10, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 10. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing the well. Said area is located approximately 25 miles east of Loving, New Mexico.

**14. Case No. 20990: Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 13 and 24, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following initial proposed wells: (1) the **Bora Bora 13-24 Fed Com #214H Well**, and (2) the **Bora Bora 13-24 Fed Com #216H Well**, both of which are to be drilled from a common surface hole location in the NE/4 NE/4 (Unit A) of Section 13 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 24; and (3) the **Bora Bora 13-24 Fed Com #215H Well** to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 24. The completed interval of the **Bora Bora 13-24 Fed Com #215H Well** will remain within 330 feet of the W/2 E/2 of Sections 13 and 24 to allow inclusion of these proximity tracts in a standard 640-acre horizontal well spacing comprised of the E/2 of Sections 13 and 24. Also to be considered will be the cost of drilling and completing the wells, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 30 miles southeast of Carlsbad, New Mexico.

**15. Case No. 20991: Application of WPX Energy Permian LLC for the Compulsory Pooling of a Horizontal Spacing and Proration Unit, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division: (1) establishing a horizontal spacing and proration unit comprised of the 320 acres, more or less, of the S/2 of Section 21, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation (PURPLE SAGE; WOLFCAMP [98220]) underlying said unit. Said horizontal spacing unit is to be dedicated to (1) the proposed **Corgi 21-22-27 Fee 401H Well**, to be horizontally drilled from a surface location in SW/4SW/4 (Unit M) of Section 21, with the First Take Point (FTP) in the NW/4SW/4 (Unit L), to a bottom hole location in the NE/4SE/4 (Unit I) of Section 21, with the Last Take Point (LTP) in same Unit I; and (2) the proposed **Corgi 21-22-27 Fee 402H Well**, to be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 21, with the FTP in the same Unit M, to the bottom hole location in the SE/4SE/4 (Unit P) of Section 21, with the LTP in same Unit P. The completed intervals and LTPs of the **Corgi 21-22-27 Fee 401H 402H Wells** will be non-standard locations. WPX will apply administratively for approval of the unorthodox locations of the two Wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the unit and wells; extension of timeframe for drilling and completing the wells; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located within 1 mile of Artesia, New Mexico.

**16. Case No. 20992: Application of Cimarex Energy Co. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 640-acre, more or less, Wolfcamp horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 7 and 18, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **DaVinci 7-18 Federal Com 29H** 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 17 miles south of Carlsbad, New Mexico.

**17. Case No. 20993: Application of Cimarex Energy Co. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 E/2 of Sections 7 and 18, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **DaVinci 7-18 Federal Com 30H** 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 17 miles south of Carlsbad, New Mexico.

**18. Case No. 20994: Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 319.93-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 2 and 11, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the initial **Belloq 11-2 Fed State Com #234H Well** (API No. 30-015-45278) that has been drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 11 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 2. The completed interval of the well complies with statewide setbacks for oil wells. Also to be considered will be the cost of drilling and completing the well, the allocation of the costs

thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 30 miles southeast of Carlsbad, New Mexico.

**19. Case No. 20995: Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 319.49-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 2 and 11, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the initial **Belloq 11-2 Fed State Com #231H Well** (API No. 30-015-45277) that has been drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 11 to a bottom hole location in the NW/4 NW/4 (Unit D or Lot 4) of Section 2. The completed interval of the well complies with statewide setbacks for oil wells. Also to be considered will be the cost of drilling and completing the well, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 30 miles southeast of Carlsbad, New Mexico.

**20. Case No. 20996: Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 319.78-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Sections 2 and 11, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the initial **Belloq 11-2 Fed State Com #223H Well** (API No. 30-015-45276) that has been drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 11 to a bottom hole location in the NW/4 NE/4 (Unit B or Lot 2) of Section 2. The completed interval of the well complies with statewide setbacks for oil wells. Also to be considered will be the cost of drilling and completing the well, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 30 miles southeast of Carlsbad, New Mexico.

**21. Case No. 20997: Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 3 and 10, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the initial **Aleutian 10-3 Fed Com #214H Well** (API No. 30-015-45570) that has been drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 10 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 3. The completed interval of the well complies with statewide setbacks for oil wells. Also to be considered will be the cost of drilling and completing the well, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 30 miles southeast of Carlsbad, New Mexico.

**22. Case No. 20998: Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Sections 24 and 25, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed **Daisy 24 State Com #505H** well to be drilled from a surface hole location in NE/4 NE/4 (Unit A) of Section 24, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 25. The completed intervals for this well will

comply with statewide setbacks for horizontal oil wells. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing the well. Said area is located approximately 10.6 miles east of Whites City, New Mexico.

**23. Case No. 20999: Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 24 and 25, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed **Daisy 24 State Com #506H** well to be drilled from a surface hole location in NE/4 NE/4 (Unit A) of Section 24, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 25. The completed intervals for this well will comply with statewide setbacks for horizontal oil wells. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing the well. Said area is located approximately 10.6 miles east of Whites City, New Mexico.

**24. Case No. 21000: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the N/2 of Section 36 and the NE/4 of Section 35, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to the **Easy Company 36/35 W0AB Fed Com. Well No. 1H**, with a first take point in the NE/4NE/4 of 36 and a final take point in the NW/4NE/4 of Section 35. 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 north-northeast of Carlsbad, New Mexico.

**25. Case No. 21001: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the N/2N/2 of Section 36 and the N/2NE/4 of Section 35, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to the **Easy Company 36/35 B3AB Fed Com. Well No. 1H**, with a first take point in the NE/4NE/4 of 36 and a final take point in the NW/4NE/4 of Section 35. 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 north-northeast of Carlsbad, New Mexico.

**26. Case No. 21002: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the S/2N/2 of Section 36 and the S/2NE/4 of Section 35, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to the **Easy Company 36/35 B3HG Fed Com. Well No. 1H**, with a first take point in the SE/4NE/4 of 36 and a final take point in the SW/4NE/4 of Section 35. 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 north-northeast of Carlsbad, New Mexico.

**27. Case No. 21003: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the N/2 of Section 25 and the NE/4 of Section 26, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to (a) the **Foxhole 25/26 W0AB Fed Com. Well No. 1H**, with a first take point in the NE/4NE/4 of 25 and a final take point in the NW/4NE/4 of Section 26, and (b) the **Foxhole 25/26 W0HG Fed Com. Well No. 1H**, with a first take point in the SE/4NE/4 of 25 and a final take point in the SW/4NE/4 of Section 26. 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 north-northeast of Carlsbad, New Mexico.

**28. Case No. 21004: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the S/2 of Section 25 and the SE/4 of Section 26, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to (a) the **Foxhole 25/26 W0IJ Fed Com. Well No. 1H**, with a first take point in the NE/4SE/4 of 25 and a final take point in the NW/4SE/4 of Section 26; and (b) the **Foxhole 25/26 W0PO Fed Com. Well No. 1H**, with a first take point in the SE/4SE/4 of 25 and a final take point in the SW/4SE/4 of Section 26. 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 10-1/2 miles north-northeast of Carlsbad, New Mexico.

**29. Case No. 21005: Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 20 and 29, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Paco 20-29 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 25 miles west southwest of Hobbs, New Mexico.

**30. Case No. 21006: Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 E/2 of Sections 20 and 29, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Paco 20-29 Federal Com 2H** well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles west southwest of Hobbs, New Mexico.

**31. Case No. 21007:** (This case will be dismissed.)

**Application of Kaiser-Francis Oil Company for rescission of API Numbers assigned to three Applications for Permit to Drill issued to BC Operating Inc., Lea County, New Mexico.** Applicants seek an order rescinding the API Numbers assigned to the following federal APDs obtained by BC



Operating Inc. for the following wells located in Township 24 South, Range 33 East, N.M.P.M, Lea County, New Mexico: (a) the **Broadside 13 Fed. Com. W 1H** (API No. 30-025-46517); (b) the **Broadside 13 Fed. Com. W 2H** (API No. 30-025-46518); and (c) the **Broadside 13 Fed. Com. W 3H** (API No. 30-025-46519). The wells are located approximately 21 miles west-northwest of Jal, New Mexico.

**32. Case No. 20951:** (This case was continued from the December 12, 2019, hearing.)

**Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico.**

Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **County Fair Federal 602H** 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 Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 9 miles Northwest of Jal, New Mexico.

**33. Case No. 20952:** (This case was continued from the December 12, 2019, hearing.)

**Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico.**

Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2W/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Blue Ribbon Federal 702H** and the **Blue Ribbon Federal 703H** wells, to be horizontally drilled. The producing area for the **Blue Ribbon Federal 703H** well will be unorthodox. The producing area for the Blue Ribbon Federal 702H well will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and completion of the first well. Said area is located approximately 9 miles Northwest of Jal, New Mexico.

**34. Case No. 20953:** (This case was continued from the December 12, 2019, hearing.)

**Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico.**

Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2W/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **County Fair Federal 701H** 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 Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well are drilled and completion of the first well. Said area is located approximately 9 miles Northwest of Jal, New Mexico.

**35. Case No. 20962:** (This case was continued from the December 12, 2019, hearing.)

**Application of Devon Energy Production Company L.P. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.**

Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 640-acre, more or less, horizontal spacing and proration unit comprised of the W/2 of Sections 20 and 29, Township 23 South, Range 33 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (CRUZ; BONE SPRING [14865]; TRIPLE X; BONE SRPING [59900]) underlying the unit. Said horizontal spacing unit is to be dedicated to the proposed **Danger Noodle 29-20 Fed Com 2H Well**, to be horizontally drilled from a

surface location in SW/4 SW/4 (Unit M) of Section 29 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20. This Well defines the HSU. Also proposed to be drilled are: (1) the **Danger Noodle 29-20 Fed Com 1H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 29 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20; and (2) the **Danger Noodle 29-20 Fed Com 3H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 29 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20. The completed intervals and first take and last take points for all wells proposed in the unit meet the Division's statewide setback requirements for horizontal oil wells; Devon will utilize proximity tracts. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells; downhole commingling; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 3 miles east of Artesia, New Mexico.

**36. Case No. 20963:** (This case was continued from the December 12, 2019, hearing.)

**Application of Devon Energy Production Company L.P. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 640-acre, more or less, horizontal spacing and proration unit comprised of the W/2 of Sections 20 and 29, Township 23 South, Range 33 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation (BRINNINSTOOL; WOLFCAMP, WEST [96689]) underlying the unit. Said horizontal spacing unit is to be dedicated to the proposed **Danger Noodle 29-20 Fed Com 6H Well**, to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 29 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20. This Well defines the HSU. Also proposed to be drilled are: (1) the **Danger Noodle 29-20 Fed Com 4H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 29 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20; (2) the **Danger Noodle 29-20 Fed Com 5H Well** proposed to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 29 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20; and (3) the **Danger Noodle 29-20 Fed Com 7H Well** proposed to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 29 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20. The completed intervals and first take and last take points for all wells proposed in the unit meet the Division's statewide setback requirements for horizontal oil wells; Devon will utilize proximity tracts. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells; downhole commingling; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 3 miles east of Artesia, New Mexico.