

DOCKET: EXAMINER HEARING - THURSDAY-JANUARY 11, 2018

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

Docket Nos. 2-18 and 3-18 are tentatively set for January 25, 2018 and February 8, 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

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1. **Case No. 15873** (Continued from the November 30, 2017 Examiner Hearing.) (This case will be dismissed.) **Application of Sojourner Drilling Corporation for compulsory pooling, Curry County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Canyon formation underlying the NE/4 of Section 34, Township 6 North, Range 34 East, NMPM, for all pools or formations developed on 160-acre spacing within that vertical extent, including the WC-009 No. 63434G; Canyon Gas Pool. The unit will be dedicated to the **Frio Lands #1 Well**, a vertical well with a surface location 1929 feet from the North line and 1962 feet from the East line of Section 34. 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 spacing unit is located approximately 20 miles North of Clovis, New Mexico.

2. **Case No. 15922**: **Application of Sojourner Drilling Corporation for compulsory pooling, Curry County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Canyon formation underlying the NE/4 of Section 34, Township 6N, Range 34E, NMPM, for all pools or formations developed on 160-acre spacing within that vertical extent, including the WC-009 No. 63434G; Canyon (Gas) Pool. The unit will be dedicated to the **Frio Lands #1 Well**, a vertical well with a surface location 1929 FNL and 1962 FEL of Section 34. 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 spacing unit is located approximately 20 miles North of Clovis, New Mexico.

3. **Case No. 15923**: **Application of Impetro Operating, 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 oil spacing and proration unit in the Wolfcamp formation comprised of the E/2 E/2 of Section 19, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Prizehog BWZ State Com #2H well** to be drilled from an orthodox location approximately 286 feet from the north line and 1188 feet from the east line (surface) of Section 19, Township 26 South, Range 36 East, to a landing point approximately 330 feet from the north line and 990 feet from the east line of Section 19, Township 26 South, Range 36 East, and then to a bottom hole location approximately 330 feet from the south line and 990 feet from the east line (terminus) of Section 19, Township 26 South, Range 36 East. 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 involved in drilling and completing the well. The well and lands are located approximately 8 miles southwest of Jal, New Mexico.

4. **Case No. 15924**: **Application of Impetro Operating, 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 oil spacing and proration unit in the Wolfcamp formation comprised of the E/2 E/2 of Section 20, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Jal (Wolfcamp) formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Wildhog BWX State Com #2H well** to be drilled from an orthodox location approximately 250 feet from the north line and 1020 feet from the east line (surface) of Section 20, Township 26 South, Range 36 East, to a landing point approximately 330 feet from the north line and 990 feet from the east line of Section 20, Township 26 South, Range 36 East, and then to a bottom hole location approximately 330 feet from the south line and 990 feet from the east line (terminus) of Section 20, Township 26 South, Range 36 East. 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 involved in drilling and completing the well. The well and lands are located approximately 8 miles southwest of Jal, New Mexico.

5. **Case No. 15886**: (Continued from the December 21, 2017 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 312.51-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 1, NE/4 NW/4, and N/2 NE/4 (the N/2 N/2) of Section 31 and the N/2 N/2 of Section 32, Township 18 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the N/2 N/2 of Section 31 and the N/2 N/2 of Section 32 for all pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the **Pavo Macho 31/32 B2DA Fed. Com. Well No. 1H**, a horizontal well with a surface location in Lot 1 of Section 31, and a terminus in the NE/4 NE/4 of Section 32. 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 11 miles southwest of Loco Hills, New Mexico.

6. **Case No. 15913**: (Continued from the December 21, 2017 Examiner Hearing.) **Application of Mewbourne Oil Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 478.13-acre non-standard spacing and proration unit in the Wolfcamp formation underlying Lots 3-7, SE/4 NW/4, and E/2 SW/4 (the W/2) of Section 6 and Lots 1, 2, and E/2 NW/4 (the NW/4) of Section 7, Township 24 South, Range 29 East, NMPM, and pooling all mineral interests in the Wolfcamp formation

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underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Pecos Valley W2ED Fed. Com. Well No. 1H**, a horizontal well with a surface location in Lot 3 of Section 7, and a terminus in Lot 4 of Section 6. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3 miles northeast of Malaga, New Mexico.

7. *Case No. 15914: (Continued from the December 21, 2017 Examiner Hearing.)*

Application of Mewbourne Oil Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 479.88-acre non-standard spacing and proration unit in the Wolfcamp formation underlying Lots 1, 2, S/2 NE/4, and SE/4 (the E/2) of Section 6 and the NE/4 of Section 7, Township 24 South, Range 29 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Pecos Valley W2HA Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SE/4NE/4 of Section 7, and a terminus in Lot 1 of Section 6. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3-1/2 miles northeast of Malaga, New Mexico.

8. *Case No. 15915 (re-advertised): Application of Mewbourne Oil Company for a nonstandard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Mewbourne Oil Company seeks an order approving a 320 acre non-standard gas spacing and proration unit in the Wolfcamp formation underlying the NE/4 of Section 20 and the NW/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: (i) the **Whitesnake 20/21 W0BC Fee Well No. 2H**, to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the NE/4 NW/4 of Section 20 and a terminus in the NE/4 NW/4 of Section 21. The beginning and end of the producing interval will be orthodox; and (ii) the **Whitesnake 20/21 W2BC Fee Well No. 1H** to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the NE/4 NW/4 of Section 20 and a terminus in the NE/4 NW/4 of Section 21. The beginning and end of the producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 1/2 miles north of Loving, New Mexico.

9. *Case No. 15925: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.* Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the N/2 of Section 13, Township 25 South, Range 27 East, NMPM. The unit will be dedicated to the **Devon 13 W2HE Fee Com. Well No. 1H**, a horizontal well with a surface location in the SE/4 NE/4, and a bottomhole location in the SW/4 NW/4, of Section 13. The well's producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 8 miles southeast of Black River Village, New Mexico.

10. *Case No. 15926: Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Mewbourne Oil Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 20 and the E/2W/2 of Section 29, Township 21 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 W/2 of Section 20 and the E/2 W/2 of Section 29. The unit will be dedicated to the **Capser 20/29 B2CN Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SE/4 SW/4 of adjoining Section 17, and a terminus in the SE/4 SW/4 of Section 29. The producing interval of the well will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 6-1/2 miles south-southeast of the intersection of State Highway 176 and U.S. Highway 62/180.

11. *Case No. 15927: Application of Matador Production Company for approval of a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order approving a 152.67-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 1, N/2 NE/4, and NE/4 NW/4 (the N/2 N/2) of Section 19, 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 spacing and proration unit (project area). The unit will be dedicated to the **Marbob 19 State Well No. 121H**, a horizontal well with a surface location in Lot 1, and a terminus in the NE/4 NE/4, of Section 19. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and

a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 14 miles south-southwest of Loco Hills, New Mexico.

12. Case No. 15928: Application of Matador Production Company for approval of a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order approving a 152.61-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 2, S/2 NE/4, and SE/4 NW/4 (the S/2 N/2) of Section 19, 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 spacing and proration unit (project area). The unit will be dedicated to the **Marbob 19 State Well No. 122H**, a horizontal well with a surface location in Lot 2, and a terminus in the SE/4 NE/4, of Section 19. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 14 miles south-southwest of Loco Hills, New Mexico.

13. Case No. 15929: Application of Matador Production Company for approval of a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order approving a 152.49-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 4, S/2 SE/4, and SE/4 SW/4 (the S/2 S/2) of Section 19, 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 spacing and proration unit (project area). The unit will be dedicated to the **Marbob 19 State Well No. 124H**, a horizontal well with a surface location in Lot 4, and a terminus in the SE/4 SE/4, of Section 19. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 14-1/2 miles south-southwest of Loco Hills, New Mexico.

14. Case No. 15916: (Continued from the December 21, 2017 Examiner Hearing.)

Application of M & M Energy, LLC for compulsory pooling, Lea County, New Mexico. M & M Energy, LLC seeks an order pooling all mineral interests from the surface to the base of the San Andres formation underlying the NE/4 SW/4 of Section 6, Township 22 South, Range 36 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the **J.H. Day Well No. 1**, to be re-entered and deepened at an orthodox location 2310 feet from the south and west lines of Section 6. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 8-1/2 mile west-southwest of Eunice, New Mexico.

15. Case No. 15917: (Continued from the December 21, 2017 Examiner Hearing.)

Application of M & M Energy, LLC for compulsory pooling, Lea County, New Mexico. M & M Energy, LLC seeks an order pooling all mineral interests from the surface to the base of the San Andres formation underlying the SE/4 NW/4 of Section 6, Township 22 South, Range 36 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the **J.H. Day Well No. 2**, to be re-entered and deepened at an orthodox location 1980 feet from the north and west lines of Section 6. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 8-1/2 mile west-southwest of Eunice, New Mexico.

16. Case No. 15918: (Continued from the December 21, 2017 Examiner Hearing.)

Application of M & M Energy, LLC for compulsory pooling, Lea County, New Mexico. M & M Energy, LLC seeks an order pooling all mineral interests from the surface to the base of the San Andres formation underlying the SE/4 SW/4 of Section 6, Township 22 South, Range 36 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the **J.H. Day Well No. 3**, to be re-entered and deepened at an orthodox location 330 feet from the south line and 2310 feet from the west line of Section 6. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 8-1/2 mile west-southwest of Eunice, New Mexico.

17. Case No. 15930: Application of Ameredev Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 22 and the W/2 W/2 of Section 15, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Magnolia State Com 26-36-22 No. 101H Well** and the proposed **Magnolia State Com 26-36-22 No. 111H Well**. These wells will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section

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22 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 15. The completed interval each well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Ameredev Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles southwest of Jal, NM.

18. Case No. 15748 (re-opened): *(Continued from the December 21, 2017 Examiner Hearing.)*

Application of Matador Production Company to Re-Open Case No. 15748 To Amend the Initial Well Under the Terms of Compulsory Pooling Order R-14333, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Division Order R-14333 to change the initial well dedicated to the spacing unit to the **Stebbins 19 Federal Com No. 124H** (API No. 30-015-44172), a horizontal well to be drilled 360 feet from the South line, 130 feet from the East line (Unit P) to a standard bottom hole location 330 feet from the South line, 240 feet from the West line of Section 19, Township 20 South, Range 29 East, NMPM, in Eddy County, New Mexico. Said unit is located 11 miles northeast of Carlsbad, New Mexico.

19. Case No. 15931: Application of Matador Production Company 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 152.78-acre non-standard spacing and proration unit comprised of the N/2 S/2 of Section 19, Township 19 South, Range 29 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 project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Marbob 19 State Com No. 123H Well** and the proposed **Marbob 19 State Com No. 133H Well**. These wells will be horizontally drilled from a surface location in the NW/4 SW/4 (Lot 3) to a standard bottom hole location in NE/4 SE/4 (Unit I) of Section 19. The completed interval each well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said wells 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 wells and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles northeast of Carlsbad, N.M.

20. Case No. 15806 (re-opened): *(Continued from the December 21, 2017 Examiner Hearing.)*

Application of XTO Energy Inc. to revise the well name and to dedicate two additional initial wells to the non-standard spacing and proration unit under the terms of Order R-14478, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. R-14478 to 1) revise the well name for the initial well; and 2) to dedicate an additional initial well to the spacing unit under the terms of compulsory pooling Order No. R-14478. The revised well name for the initial well will be the **Sizzler Fed Com No. 2H Well**. XTO further requests that the **Roadhouse Fed Com No. 1H Well** and the **Roadhouse Fed Com No. 2H Well** be dedicated to the non-standard spacing and proration unit as additional initials well. The **Sizzler Fed Com No. 2H Well**, the **Roadhouse Fed Com No. 1H Well**, and the **Roadhouse Fed Com No. 2H Well** will be pad-drilled and simultaneously completed. The **Roadhouse Fed Com No. 1H Well** and the **Roadhouse Fed Com No. 2H Well** are horizontal wells to be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 6, Township 25 South, Range 29 East, to a standard bottomhole location in the NW/4 SE/4 (Unit J) of Section 31, Township 24 South, Range 29 East. The completed interval will comply with the setback requirements for the Purple Sage; Wolfcamp Gas Pool. Said area is located approximately 6 miles southeast of Malaga, New Mexico.

21. Case No. 15874: *(Continued from the December 21, 2017 Examiner Hearing.)*

Application of Apache Corporation For Approval of the Thunderbird Exploratory Unit, Eddy County New Mexico. Applicant seeks approval of its Thunderbird Exploratory Unit consisting of approximately 3,198.44 acres of federal and state lands situated in all or parts of Sections 12, 33, 34, 35 and 36 of Township 16 South, Range 30 East, N.M.P.M and Section 4 of Township 17 South, Range 30 East, N.M.P.M, Eddy County, New Mexico. The unitized interval is the stratigraphic equivalent of the top of the Yeso formation encountered at a measured depth of 4,233' down to the stratigraphic equivalent of the top of the Tubb formation at a measured depth of 5,554' as encountered in the Aspen Federal Com #1 well (API No. 30-015-31656) located in Section 31, Township 16 South, Range 31 East, Eddy County, New Mexico. Said location is approximately two miles north of Loco Hills, New Mexico, and 12.6 miles north west of Maljamar, New Mexico.

22. Case No. 15932: 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, Rio Arriba 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 spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Hardie 4E Well** (API No. 30-045-24938) in the Mesaverde formation with a surface location in W/2 of Section 24, Township 29 North, Range 8 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the Hardie 4E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

23. Case No. 15933: 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, Rio Arriba 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 spacing and proration unit, and three within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 27-5 Unit 113F Well** (API No. 30-039-30495) in the Mesaverde formation with a surface location in E/2 of Section 10, Township 27 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 27-5 Unit 113F Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

24. *Case No. 15934: 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, Rio Arriba 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 321.08-acre spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 27-5 Unit 163E Well** (API No. 30-039-30063) in the Mesaverde formation with a surface location in W/2 of Section 18, Township 27 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 27-5 Unit 163E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

25. *Case No. 15935: 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, Rio Arriba 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 spacing and proration unit, and three wells in the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-5 Unit 62E Well** (API No. 30-039-30154) in the Mesaverde formation with a surface location in E/2 of Section 31, Township 28 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-5 Unit 62E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

26. *Case No. 15936: 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, Rio Arriba 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 323.48-acre spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-6 Unit 105E Well** (API No. 30-039-29571) in the Mesaverde formation with a surface location in W/2 of Section 35, Township 28 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-6 Unit 105E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

27. *Case No. 15937: 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, Rio Arriba 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 a fifth Mesaverde gas well, the **San Juan 28-6 Unit 136F Well** (API No. 30-039-29973), in the same standard 282.48-acre, more or less, spacing and proration unit, and three Mesaverde gas wells in the same quarter section. Hilcorp further seeks approval for the proposed location of the San Juan 28-6 Unit 136F Well in the Mesaverde formation with a surface location in S/2 S/2 and Lots 1, 2, 3, and 4 of Section 12, Township 28 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-6 Unit 136F Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

28. *Case No. 15938: 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, Rio Arriba 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 spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-6 Unit 143 Well** (API No. 30-039-20156) in the Mesaverde formation with a surface location in W/2 of Section 20, Township 28 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-6 Unit 143 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

29. *Case No. 15939: 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, Rio Arriba 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 Mesaverde gas wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-6 Unit 158E Well** (API No. 30-039-30020) in the Mesaverde formation with a surface location in E/2 of Section 11, Township 27 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-6 Unit 158E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

30. *Case No. 15940: 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, Rio Arriba 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 spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-7 Unit 134E Well** (API No. 30-039-22625) in the Mesaverde formation with a surface location in W/2 of Section 21, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-7 Unit 134E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

31. *Case No. 15941: 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, Rio Arriba 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 320-acre spacing and proration unit, and three wells in the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-7 Unit 190F Well** (API No. 30-039-26693) in the Mesaverde formation with a surface location in Section 34, Township 28 North, Range 7 West, and a bottom-hole location Section 27, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, and authorizing Hilcorp to simultaneously complete and produce the San Juan 28-7 Unit 190F Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

32. *Case No. 15942: 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, Rio Arriba 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 299.21-acre spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-7 Unit 246M Well** (API No. 30-039-27047) in the Mesaverde formation with a surface location in S/2 of Section 7, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-7 Unit 246M Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

33. *Case No. 15943: 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, Rio Arriba 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 spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 29-7 Unit 31E Well** (API No. 30-039-23601) in the Mesaverde formation with a surface location in E/2 of Section 32, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 29-7 Unit 31E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

34. *Case No. 15944: 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, Rio Arriba 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 spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 29-7 Unit 32E Well** (API No. 30-039-22411) in the Mesaverde formation with a surface location in W/2 of Section 32, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 29-7 Unit 32E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

35. *Case No. 15945: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the*

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Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba 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 spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 29-7 Unit 105 Well** (API No. 30-039-20616) in the Mesaverde formation with a surface location in E/2 of Section 36, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 29-7 Unit 105 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

36. *Case Nos. 15832, 15833, 15834, 15835 (re-opened): Application of XTO Energy Inc. to Re-Open Case Nos. 15832, 15833, 15834, and 15835 to Provide Supplemental Notice, Eddy County, New Mexico.* Applicant in the above-styled cause seeks to re-open Case Nos. 15832-15835 to provide supplemental notice pursuant to Division instruction. Each case originally sought 1) formation of a non-standard 160-acre spacing unit in the Purple Sage Pool; 2) formation of a 480-acre non-standard spacing unit for compulsory pooling; and 3) compulsory pooling. All acreage is located in Sections 24, 25, and 36, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

37. *Case No. 15910: (Continued from the December 21, 2017 Examiner Hearing.)*
Application of EOG Y 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 240-acre spacing and proration unit comprised of the E/2 SE/4 of Section 11 and the E/2 E/2 of Section 14, Township 26 South, Range 26 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 **Plucky 14 Fed Com No. 502H** (API No. 30-015-44144), which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 14 to a bottom hole location in NE/4 SE/4 (Unit I) of Section 11. The project area is located within the Welch Bone Spring Pool (64010). The completed interval for this well 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 Y Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles southwest of Malaga, New Mexico.

38. *Case No. 15912: (Continued from the December 21, 2017 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 240-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of the E/2 NW/4 of Section 25 and the E/2 W/2 of Section 24, Township 23 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Delaware formation underlying the non-standard unit. The unit will be dedicated to the **Williams Fee 2524 LBC Well No. 1H**, a horizontal well with a surface location 2290 feet from the north line and 2130 feet from the west line of Section 25, and a terminus 250 feet from the north line and 1980 feet from the west line of Section 24. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3 miles east of Loving, New Mexico.

39. *Case No. 15906: (Continued from the December 21, 2017 Examiner Hearing.)*
Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit, non-standard locations and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard spacing and proration unit in the Wolfcamp formation, comprised of the E/2 of Section 26, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, the approval of non-standard locations, and the pooling of all uncommitted mineral interests located within the proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Knife Fight Fee 24 34 26 WXY 3H**, **Knife Fight Fee 24 34 26 WA 6H**, and **Knife Fight Fee 24 34 26 WXY 19H** wells, to be horizontally drilled. The producing area for these wells will be unorthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles northwest of Jal, New Mexico.

40. *Case No. 15907: (Continued from the December 21, 2017 Examiner Hearing.)*
Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit, non-standard locations and compulsory pooling Lea County, New Mexico. Applicant seeks an order to create a non-standard spacing and proration unit covering the Bone Spring formation, which is comprised of the E/2 E/2 of Section 26, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, the approval of non-standard locations, and the pooling of all uncommitted mineral interests located within the proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Knife Fight Fee 24 34 26 TB 7H well**, to be horizontally drilled. The producing area for this well will be unorthodox, less than 330 feet from the project area boundary. 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

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for risk involved in drilling said well. Said area is located approximately 15 miles northwest of Jal, New Mexico.

41. Case No. 15900: *(Continued from the December 21, 2017 Examiner Hearing.)*

Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160.48-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 33, Township 22 South, Range 35 East, 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 **Bill Alexander State Com 33-22S-35E AR No. 111H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 33. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles southwest of Eunice, NM.

42. Case No. 15865: *(Continued from the December 13, 2017 Examiner Hearing.)*

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 160-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 34, Township 21 South, Range 34 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 **Gramma Ridge East 34 State 3BS No. 2H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 34. The completed interval for the well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles west of Eunice, New Mexico.

43. Case No 15866: *(Continued from the December 13, 2017 Examiner Hearing.)*

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 160-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 34, Township 21 South, Range 34 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 **Gramma Ridge East 34 State 3BS No. 3H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 34. The completed interval for the well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles west of Eunice, New Mexico.

44. Case No. 15867: *(Continued from the December 13, 2017 Examiner Hearing.)*

Amended 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 160-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 34, Township 21 South, Range 34 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 **Gramma Ridge East 34 State 2BS No. 8H Well**, which will be drilled horizontally from a surface location in the SE/4 SE/4 (Unit P) to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 34. The completed interval for the well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles west of Eunice, New Mexico.

45. Case No. 15868: *(Continued from the December 13, 2017 Examiner Hearing.)*

Amended 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 160-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 34, Township 21 South, Range 34 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 **Gramma Ridge East 34 State 2BS No. 9H Well**, which will be drilled horizontally from a surface location in the SE/4 SE/4 (Unit P) to a standard bottom hole location in the NE/4 NE/4 (Unit A) of Section 34. The completed interval for the well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles west of Eunice, New Mexico.

46. *Case No 15875:* (Continued from the December 13, 2017 Examiner Hearing.)

Application of Great Western Drilling Ltd. for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the W/2 W/2 of Section 34, Township 21 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 **Grama Ridge East 34 State 3BS #2H well** to be drilled from an orthodox location approximately 275 feet from the north line and 870 feet from the west line (surface) of Section 34, Township 21 South, Range 34 East, to a landing point approximately 330 feet from the north line and 460 feet from the west line of Section 34, Township 21 South, Range 34 East, and then to a bottom hole location approximately 330 feet from the south line and 460 feet from the west line (terminus) of Section 34, Township 21 South, Range 34 East. 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 involved in drilling and completing the well. The well and lands are located approximately 20 miles west of Eunice, New Mexico.

47. *Case No. 15876* (Continued from the December 13, 2017 Examiner Hearing.)

Application of Great Western Drilling Ltd. for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the E/2 E/2 of Section 34, Township 21 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 **Grama Ridge East 34 State 3BS #9H well** to be drilled from an orthodox location approximately 275 feet from the south line and 1220 feet from the east line (surface) of Section 34, Township 21 South, Range 34 East, to a landing point approximately 330 feet from the south line and 460 feet from the east line of Section 34, Township 21 South, Range 34 East, and then to a bottom hole location approximately 330 feet from the north line and 460 feet from the east line (terminus) of Section 34, Township 21 South, Range 34 East. 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 involved in drilling and completing the well. The well and lands are located approximately 20 miles west of Eunice, New Mexico.