

DOCKET: EXAMINER HEARING - THURSDAY - MAY 11, 2017

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

Docket Nos. 18-17 and 19-17 are tentatively set for May 25, 2017 and June 8, 2017. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule Subsection B of 19.15.4.13 NMAC requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued. A party who plans on using projection equipment at a hearing must contact Florene Davidson seven (7) business days prior to the hearing requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer. The following cases will be heard by an Examiner.

Locator Key for Cases

Case 15185 - No. 11
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1. *Case No. 15687: Application of Cimarex Energy Co. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order from the Division: (1) creating a non-standard 640-acre, more or Jess, oil spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Sections 7 and 18, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **DaVinci 7-18 Federal Com 6H**, to be horizontally drilled. The producing area for this well will be 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 Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 30 miles south of Carlsbad New Mexico.

2. *Case No. 15688: Application of Cimarex Energy Co. for compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order from the Division pooling all mineral interests in the Bone Spring formation underlying the 223.47 acre non-standard spacing and proration unit approved by the Division in Administrative Order NSP-2057, which is comprised of the E/2 E/2 of Section 28 and NE/4 NE/4 and Lot 1 of Irregular Section 33, Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing and proration unit will be the project area for the **Klein 33 Federal Com. Well No. 10H well**, to be

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horizontally drilled. The producing area for this well will be 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 Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 17 miles southwest of Malaga New Mexico.

3. Case No. 15681: *(Continued from the April 27, 2017 Examiner Hearing.)*

Application of Mewbourne Oil Company for a non-standard project area and an unorthodox gas well location, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a non-standard 1280-acre horizontal well project area in the Wolfcamp formation comprised of all of Sections 17 and 20, Township 21 South, Range 25 East, NMPM. Applicant further requests approval of an unorthodox gas well location (Wildcat-Wolfcamp Gas Pool) for the proposed **Rio Bravo 17/20 W2AP Fed. Com. Well No. 1H**, with a surface location in the NE/4 NE/4 of Section 17 and a bottomhole location in the SE/4SE/4 of Section 20. The first and last take points will be unorthodox. The project area is located approximately 7-1/2 miles south of Seven Rivers, New Mexico.

4. Case No. 15689: *Application of Mewbourne Oil Company for a nonstandard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Mewbourne Oil Company seeks an order approving a 480 acre non-standard spacing and proration unit in the Wolfcamp formation underlying the SE/4 of Section 23 and the E/2 of Section 24, Township 24 South, Range 28 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to (a) the **Queen 23/24 W0OP Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SE/4SW/4 of Section 23 and a terminus in the SE/4SE/4 of Section 24, and (b) the **Queen 23/24 W2OP Fed. Com. Well No. 2H**, a horizontal well with a surface location in the SE/4SW/4 of Section 23 and a terminus in the SE/4SE/4 of Section 24. The beginning and end of the producing interval in each well will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 2-1/2 miles southeast of Malaga, New Mexico.

5. Case No. 15690: *Application of OneEnergy Partners Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant in the above-styled cause seeks an order (1) creating a 160-acre spacing and proration unit in the Wolfcamp Formation comprised of the E/2 W/2 of Section 20, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interest owners within the non-standard spacing and proration unit. Said unit will be the project area for its proposed **Wildhog BWX State Com No. 1H**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottom hole location in SE/4 SW/4 (Unit N) of Section 20. The completed interval for this well will comply with the 330-foot standard setbacks 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 OneEnergy Partners Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 5 miles southwest of Bennett, New Mexico.

6. Case No. 15691: *Application of OneEnergy Partners Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant in the above-styled cause seeks an order (1) creating a 160-acre spacing and proration unit in the Wolfcamp Formation comprised of the E/2 W/2 of Section 19, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interest owners within the non-standard spacing and proration unit. Said unit will be the project area for its proposed **Prizehog BWZ State Com No. 1H**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottom hole location in SE/4 SW/4 (Unit N) of Section 19. The completed interval for this well will comply with the 330-foot standard setbacks 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 OneEnergy Partners Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles southwest of Bennett, New Mexico.

7. Case No. 15692: *Application of Chevron U.S.A. Inc. for a non-standard spacing and proration unit, compulsory pooling, and approval of an unorthodox location, Lea County, New Mexico.* Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre spacing and proration unit comprised of the E/2 E/2 of Section 13 and the E/2 E/2 of Section 24, Township 26 South, Range 32 East, N.M.P.M., Eddy County, New Mexico; (2) pooling all mineral interests in the Bone Spring formation underlying this acreage; and (3) approving an unorthodox location. Said non-standard unit is to be dedicated to applicant's proposed **SD WE 24 Fed P24 No. 6H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 24 to a non-standard bottom hole location in NE/4 NE/4 (Unit A) of Section 13. The completed interval for this well will commence 330 feet from the South line, 1,265 feet from the East line of Section 24 to a location 330 feet from the North line, 1,265 feet from the East line of Section 13, thereby encroaching on the spacing and proration units to the West, Northwest, and Southwest. 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 Chevron U.S.A. Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 35 miles west of Jal, New Mexico.

8. **Case No. 15679:** (Continued from the April 27, 2017 Examiner Hearing.) ***Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a 446.4-acre, more or less, spacing and proration unit comprised of the W/2 of Section 29 and the N/2 NW/4 and Lot 1 and Lot 2 of irregular Section 32, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp Formation. Said non-standard unit is to be dedicated to applicant's proposed **Sidewinder Federal Com No. 4H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Lot 1) of irregular Section 32 to a standard bottomhole location in the NW/4 NW/4 (Unit D) of Section 29. The completed interval for this well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage-Wolfcamp Gas Pool in Division Order No. R-14262. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 13.5 miles SE of Malaga, New Mexico.
9. **Case No. 15693:** ***Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a 454.63-acre, more or less, spacing and proration unit comprised of the E/2 W/2 and Lot 1, Lot 2, Lot 3, and Lot 4 (forming the W/2 W/2) of irregular Section 30 and the N/E NW/4 and Lot 1, Lot 2, and Lot 3 of irregular Section 31 (forming the W/2 NW/4 and SE/4 NW/4), Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp Formation. Said non-standard unit is to be dedicated to applicant's proposed **Copperhead Fee A No. 4H Well**, which will be horizontally drilled from a surface location in the SE/4 NW/4 (Lot 3) of irregular Section 31 to a standard bottomhole location in the NE/4 NW/4 (Unit C) of Section 30. The completed interval for this well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage-Wolfcamp Gas Pool in Division Order No. R-14262. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12.5 miles southeast of Malaga, New Mexico.
10. **Case No. 15694:** ***Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a non-standard 226.34-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 30 and the NW/4 NE/4 and Lot 6 of irregular Section 31, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp Formation. Said non-standard unit is to be dedicated to applicant's proposed **Copperhead 31 Federal Com No. 21H Well**, which will be horizontally drilled from a surface location in the SW/4 NE/4 (Lot 6) of irregular Section 31 to a standard bottomhole location in the NW/4 NE/4 (Unit B) of Section 30. The completed interval for this well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage-Wolfcamp Gas Pool in Division Order No. R-14262. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12.5 miles southeast of Malaga, New Mexico.
11. **Case No. 15185 (re-opened):** ***Application of Ard Energy, LLC to reopen Case No. 15185 pursuant to NMAC 19.15.13.13 and the provisions of Orders No. R-13913, as amended, R-13913-B*** and to (1) determine reasonable lease operating costs and expenses, and revenue netting attributable to the **Ivar The Boneless Federal Well No. 11H** (API 30-025-42514), located in a unit comprised of W/2 W/2 of Section 15, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico (the Unit); (2) to determine reasonable costs of drilling and completion, lease operating costs and expenses, and revenue netting attributable to the Ivar The Boneless Federal Wells Nos. 22H (API 30-025-42998) and 12H (API 30-025-42997), located within the Unit. The wells are located approximately five (5) miles south east of Maljamar, New Mexico.
12. **Case No. 15673:** (Continued from the April 13, 2017 Examiner Hearing.) ***Application of Mewbourne Oil Company for a nonstandard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 480 acre non-standard spacing and proration unit in the Wolfcamp formation underlying the E/2 of Section 12 and the SE/4 of Section 1, Township 25 South, Range 27 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Devon 12/1 W2PI Fee Com. Well No. 1H**, a horizontal well with a surface location in the NE/4 NE/4 of adjoining Section 13, and a terminus in the NE/4 SE/4, of Section 1. 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 7 miles southwest of Malaga, New Mexico.
13. **Case No. 15671:** (Continued from the April 27, 2017 Examiner Hearing.) ***Application of Smith and Marrs Inc., for approval of lease pressure maintenance project, in Eddy County, New Mexico.*** Applicant seeks approval to institute a lease pressure maintenance project in its **Superior State Well #1**, located 1980' FNL and 660' FEL, Unit H, Section 8, Township 25 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. Applicant intends to inject produced water into the Delaware Sand formation at depths of 3736-3776 feet (perforated). The well is located approximately 10 miles south east of Malaga, New Mexico.

14. **Case No. 15695:** *Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Norman L & Loretta E Gilbreath, for Wells Operated in Rio Arriba and San Juan Counties, New Mexico.* The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, (“Bureau”) through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Norman L & Loretta E Gilbreath (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, §70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

15. **Case No. 15696:** *Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Norman L Gilbreath, for Wells Operated in San Juan County, New Mexico.* The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, (“Bureau”) through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Norman L Gilbreath (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, §70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

16. **Case No. 15697:** *Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against P-R-O Management, Inc., for Wells Operated in San Juan County, New Mexico.* The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, (“Bureau”) through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator P-R-O Management, Inc. (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

17. **Case No. 15698:** (This case will be dismissed.)

Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against RAM Energy, LLC, for Wells Operated in Lea County, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, (“Bureau”) through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator RAM Energy, LLC (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

18. **Case No. 15699:** *Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Elmira T Welch, for a Well Operated in Eddy County, New Mexico.* The New Mexico Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), hereby files this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Elmira T Welch (“Operator”) is out of compliance with 19.15.5.9, 19.15.8, 19.15.25.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.5.9, 19.15.8, and 19.15.25.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division Order for each day after the deadline established in the sought order to obtain compliance, declaring the well abandoned and authorizing the OCD to plug the violating well in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

19. **Case No. 15682:** (Continued from the April 27, 2017 Examiner Hearing.)

Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Minel, Inc. for Wells Operated in Rio Arriba County, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, (“Bureau”) through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Minel, Inc. (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

20. **Case No. 15683:** (Continued from the April 27, 2017 Examiner Hearing.)

Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Nancy Wilcox E Qualls, for Wells Operated in Rio Arriba County, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, (“Bureau”) through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Nancy Wilcox E Qualls (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator

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in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

21. Case No. 15685: *(Continued from the April 27, 2017 Examiner Hearing.)*

Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Pierce Production Company, LLC for Wells Operated in Lea County, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, (“Bureau”) through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Pierce Production, LLC (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

22. Case No. 15686: *(Continued from the April 27, 2017 Examiner Hearing.)*

Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Primal Energy Corporation for Wells Operated in Eddy and Lea Counties, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, (“Bureau”) through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Primal Energy Corporation (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, §70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

23. Case No. 15655: *(Continued from the April 13, 2017 Examiner Hearing.)*

Application of Black Mountain Operating LLC for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and an Unorthodox Well Location, 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 SW/4 of Section 35, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico and the W/2 W/2 of Section 2, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant’s proposed **Grama Ridge State Com 1H well** to be drilled at an unorthodox location approximately 144.3 feet from the south line and 911 feet from the west line (surface) of Section 2, Township 22 South, Range 34 East, to 2371 feet from the south line and 330 feet from the west line (terminus) of Section 35, 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 17 miles west of Eunice, New Mexico.

24. Case No. 15656: *(Continued from the April 13, 2017 Examiner Hearing.)*

Application of Black Mountain Operating LLC for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and an Unorthodox Well Location, 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 SW/4 of Section 35, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico and the E/2 W/2 of Section 2, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant’s proposed **Grama Ridge State Com 3H well** to be drilled at an unorthodox location approximately 144.3 feet from the south line and 971 feet from the east line (surface) of Section 2, Township 22 South, Range 34 East, to 2387 feet from the south line and 1707.7 feet from the east line (terminus) of Section 35, 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 17 miles west of Eunice, New Mexico.

25. Case No. 15659: *(Continued from the April 13, 2017 Examiner Hearing.)*

Application of GMT Exploration Company LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. GMT Exploration Company LLC seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 2, Township 22 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit (project area). The unit will be dedicated to the **Pucker Rapid State Com. Well No. 1H**, a horizontal well with a surface location in the SW/4 SW/4, and a terminus in the NW/4 NW/4, of Section 2. The beginning and end of the productive 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 12 miles west-southwest of Oil Center, New Mexico.

26. Case No. 15660: *(Continued from the April 13, 2017 Examiner Hearing.)*

Application of GMT Exploration Company LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. GMT Exploration Company LLC seeks an order approving a 160-acre non-standard oil spacing and

proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 2, Township 22 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit (project area). The unit will be dedicated to the **Squeeze State Com. Well No. 1H**, a horizontal well with a surface location in the SE/4 SW/4, and a terminus in the NE/4 NW/4, of Section 2. The beginning and end of the productive 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 12 miles west-southwest of Oil Center, New Mexico.

27. Case No. 15668: *(Continued from the April 27, 2017 Examiner Hearing.)*

Application of EOG Resources, Inc., For Creation Of A New Pool And For A Special Depth Bracket Allowable For The WC-025 G-09 S253336D; Upper Wolfcamp Pool, Lea County, New Mexico. Applicant seeks an order (1) creating a new Wolfcamp Oil Pool; and (2) authorization to increase the depth bracket allowable for oil wells within the C-025 G-09 S253336D; Upper Wolfcamp Pool (98094) from 410 to 1400 barrels of oil per day for each 40-acre spacing unit. This pool currently covers the following acreage in Lea County, New Mexico:

Township 25 South, Range 33 East, N.M.P.M.

Section 25: SW/4

Section 26: All

Section 36: W/2

Said pool is located approximately 30 miles west of Jal, New Mexico.

28. Case No. 15669: *(Continued from the April 27, 2017 Examiner Hearing.)*

Application of EOG Resources, Inc., For Creation Of A New Pool And For A Special Depth Bracket Allowable For The WC-025 G-09 S263327G; Upper Wolfcamp Pool, Lea County, New Mexico. Applicant seeks an order (1) creating a new Wolfcamp Oil Pool; and (2) authorization to increase the depth bracket allowable for oil wells within the WC-025 G-09 S263327G; Upper Wolfcamp Pool (98097) from 410 to 1400 barrels of oil per day for each 40-acre spacing unit. This pool currently covers the following acreage in Lea County, New Mexico:

Township 26 South, Range 33 East, N.M.P.M.

Section 21: All

Section 22: W/2, SE.4

Section 25: W/2

Section 26: N/2

Section 27: NE/4

Section 28: E/2

Section 33: E/2

Section 36: W/2

Said pool is located approximately 30 miles west of Jal, New Mexico.