

**DOCKET: EXAMINER HEARING – THURSDAY – MAY 3, 2018**

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

Docket Nos.19-18 and 20-18 are tentatively set for May 17, 2018 and May 31, 2018. Applications for hearing must be filed at least thirty (30) days in advance of the hearing date. OCD Rule Subsection B of 19.15.4.13 NMAC requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued. A party who plans on using projection equipment at a hearing must contact Florene Davidson, seven (7) business days prior to the hearing, requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer. The following cases will be heard by an Examiner.

***Locator Key for Cases***

*Case 15602 – No. 3*  
*Case 15888 – No. 5*  
*Case 15897 - No. 37*  
*Case 15898 – No. 38*  
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1. **Case No. 16079:** *Application of Llano Energy, 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 (i) creating a 320-acre, non-standard oil spacing and proration unit (project area) comprised of the E/2 of Section 29, Township 12 South, Range 38 East, NMPM, in Lea County, (ii) pooling all uncommitted mineral interests in the San Andres formation underlying this acreage, and (iii) approving an unorthodox location for the Sarah #1-H well. The project area is to be dedicated to the **Sarah #1-H well**, which will be horizontally drilled from a surface location in Unit A of Section 32 to a bottom hole location in Unit A of Section 29, Township 12 South, Range 38 East. The completed interval for the well will be unorthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Special Energy Corporation (OGRID No. 138008) as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The proposed project area is located approximately nine (9) miles east of Tatum, New Mexico.

2. **Case No. 16080:** *Application of COG Production LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order from the Division: (1) creating a non-standard 640-acre, more or less, oil spacing and proration unit in the Wolfcamp formation, comprised of the E/2 of Sections 13 and 24, Township 26 South, Range 28 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 **Momba Federal Com Well No. 801H**, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 13 to a bottomhole location in the SE//4 SE/4 (Unit P) of Section 24. 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 COG Production LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles south of Malaga, New Mexico.

3. **Case No. 15602 (re-opened):** *(Continued from the April 5, 2018 Examiner Hearing.)* *Application of Mewbourne Oil Company to re-open Case No. 15602 for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Mewbourne Oil Company 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 15, Township 23 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 W/2 of Section 15. The unit will be dedicated to the **Pronghorn 15 B3CN Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NE/4 NW/4, and a terminus in the SE/4 SW/4, of Section 15. 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 18 miles southwest of Oil Center, New Mexico.

4. **Case No. 16081:** *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 480-acre non-standard gas spacing and proration unit in the Wolfcamp formation underlying (the W/2 of Section 26 and the SW/4 of Section 23, 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 (i) the **Rustler Breaks 26/23 W2ML Fee Com. Well No. 1H**, a horizontal well with a surface location in the NW/4 NW/4 of Section 35, and a terminus in the NW/4 SW/4 of Section 23; and (ii) the **Rustler Breaks 26/23 W0ML Fee Com. Well No. 2H**, a horizontal well with a surface location in the NW/4 NW/4 of Section 35, and a terminus the NW/4 SW/4 of Section 23. The producing interval of each well will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 2 miles south of Malaga, New Mexico.

5. **Case No. 15888:** *(Continued from the April 5, 2018 Examiner Hearing.)* *Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Mewbourne Oil Company seeks an order approving a 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 10, Township 23 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to the **Ibex B3NC Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NE/4 NW/4 of adjoining Section 15, and a terminus 330 feet from the north line and 1980 feet from the west line of Section 10. 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 19-1/2 miles west-southwest of Eunice, New Mexico.

6. ***Case No. 16082: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.*** Matador Production Company seeks an order approving a 320-acre gas spacing and proration unit in the Wolfcamp formation underlying (the E/2 of Section 1, Township 23 South, Range 27 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the gas spacing and proration unit. The unit will be dedicated to (i) The **Larry Wolfisch 01-23S-27E RB Well No. 204H**, a horizontal well with a surface location in the SE/4 SE/4 of Section 36, Township 22 South, Range 27 East, N.M.P.M., and a terminus in the SE/4 SE/4 of Section 1; and (ii) The **Larry Wolfisch 01-23S-27E RB Well No. 224H**, a horizontal well with a surface location in the SE/4 SE/4 of Section 36, Township 22 South, Range 27 East, N.M.P.M., and a terminus in the SE/4 SE/4 of Section 1. The producing interval of each well will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 6 miles south-southwest of Carlsbad, New Mexico.

7. ***Case No. 16083: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.*** Matador Production Company seeks an order approving a 320-acre gas spacing and proration unit in the Wolfcamp formation underlying the W/2 of Section 1, Township 23 South, Range 27 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the gas spacing and proration unit. The unit will be dedicated to the **Larry Wolfisch 01-23S-27E RB Well No. 206H**, a horizontal well with a surface location in the SE/4 SW/4 of Section 36, Township 22 South, Range 27 East, N.M.P.M., and a terminus in the SE/4 SW/4 of Section 1. 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 wells. The unit is located approximately 6 miles south-southwest of Carlsbad, New Mexico.

8. ***Case No. 16084: Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a 200-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 12 and the NE/4 NE/4 of Section 13, Township 21 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Big Bucks Fed. Com. Well No. 501H**, a horizontal well with a surface location in the SE/4 SE/4 of adjoining Section 1, and a terminus in the NE/4 NE/4 of Section 13. 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 6-1/2 miles southeast of Halfway, New Mexico.

9. ***Case No. 16085: Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a 200-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2E/2 of Section 12 and the NE/4NE/4 of Section 13, Township 21 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Big Bucks Fed. Com. Well No. 701H**, a horizontal well with a surface location in the SE/4 SE/4 of adjoining Section 1, and a terminus in the NE/4 NE/4 of Section 13. 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 6-1/2 miles southeast of Halfway, New Mexico.

10. ***Case No. 16086: Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a 200-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 E/2 of Section 12 and the NW/4 NE/4 of Section 13, Township 21 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area).

The unit is to be dedicated to the **Big Stagg Fed. Com. Well No. 503H**, a horizontal well with a surface location in the SW/4 SE/4 of adjoining Section 1, and a terminus in the NW/4 NE/4 of Section 13. 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 6-1/2 miles southeast of Halfway, New Mexico.

**11. Case No. 16087: Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 200-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 E/2 of Section 12 and the NW/4 NE/4 of Section 13, Township 21 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Big Stagg Fed. Com. Well No. 703H**, a horizontal well with a surface location in the SW/4 SE/4 of adjoining Section 1, and a terminus in the NW/4 NE/4 of Section 13. 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 6-1/2 miles southeast of Halfway, New Mexico.

**12. Case No. 16088: Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Section 1, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Catapult Fee 23-26-1 TB 6H** 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 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 6 miles south of Carlsbad, New Mexico.

**13. Case No. 16089: Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) pooling all mineral interests in the Wolfcamp formation underlying the standard 320-acre, more or less, spacing and proration unit comprised of the E/2 of Section 1, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico. This proposed standard spacing and proration unit will be the project area for the **Catapult Fee Com 23 26 1 WA 5H, Catapult Fee Com 23 26 1 WXY 3H, and Catapult Fee Com 23 26 1 WXY 10H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles south of Carlsbad, New Mexico.

**14. Case No. 16090: (This case will be dismissed.)**

**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 W/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 #3H** well to be drilled from an orthodox location approximately 250 feet from the north line and 2310 feet from the east line of Section 19, Township 26 South, Range 36 East, to a first take point approximately 330 feet from the north line and 2310 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 2310 feet from the east line 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.

15. Case No. 16091: (This case will be dismissed.)

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 W/2 E/2 of Section 20, 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 **Wildhog BWX State Com #3H** well to be drilled from an orthodox location approximately 350 feet from the north line and 2310 feet from the east line of Section 20, Township 26 South, Range 36 East, to a first take point 330 feet from the north line and 2310 feet from the east line of Section 20, and then to a bottom hole location approximately 330 feet from the south line and 2310 feet from the east line 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.

16. Case No. 16092: Amended Application of Advance Energy Partners Hat Mesa, 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 320-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the E/2 W/2 of Section 15 and the E/2 W/2 of Section 22, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Stock Unit #601H** well to be drilled from an approximate surface location 100 feet from the north line and 1,650 feet from the west line of Section 15, Township 21 South, Range 33 East to a bottomhole location 330 feet from the south line and 1,650 feet from the west line of Section 22, Township 21 South, Range 33 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.5 miles northeast of Hat Mesa, New Mexico.

17. Case No. 16093: Amended Application of Advance Energy Partners Hat Mesa, 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 320-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the E/2 W/2 of Section 15 and the E/2 W/2 of Section 22, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Stock Unit #602H** well to be drilled from an approximate surface location 100 feet from the north line and 2,310 feet from the west line of Section 15, Township 21 South, Range 33 East to a bottomhole location 330 feet from the south line and 2,310 feet from the west line of Section 22, Township 21 South, Range 33 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.5 miles northeast of Hat Mesa, New Mexico.

18. Case No. 16094: Amended Application of Advance Energy Partners Hat Mesa, 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 320-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the W/2 E/2 of Section 15 and the W/2 E/2 of Section 22, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Stock Unit #603H** well to be drilled from an approximate surface location 100 feet from the north line and 1,650 feet from the east line of Section 15, Township 21 South, Range 33 East to a bottomhole location 330 feet from the south line and 1,650 feet from the east line of Section 22, Township 21 South, Range 33 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.5 miles northeast of Hat Mesa, New Mexico.

19. Case No. 16095: Application of Advance Energy Partners Hat Mesa, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard 240-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit from the top of the 1<sup>st</sup> Bone Spring Sand to the base

of the 2<sup>nd</sup> Bone Spring Sand. The unit will be dedicated to Applicant's proposed **Wool Head #501H** well to be drilled from an approximate surface location 100 feet from the south line and 1,650 feet from the west line of Section 20, Township 21 South, Range 33 East to a bottomhole location 2,540 feet from the south line and 1,650 feet from the west line of Section 17, Township 21 South, Range 33 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.5 miles northeast of Hat Mesa, New Mexico.

20. ***Case No.16096: Application of Advance Energy Partners Hat Mesa, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard 240-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the E/2 W/2 of Section 20 and the E/2 SW/4 of Section 17, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, pooling all mineral interests underlying the non-standard unit from the top of the 1<sup>st</sup> Bone Spring Sand to the base of the 2<sup>nd</sup> Bone Spring Sand. The unit will be dedicated to Applicant's proposed **Wool Head #502H** well to be drilled from an approximate surface location 100 feet from the south line and 2,310 feet from the west line of Section 20, Township 21 South, Range 33 East to a bottomhole location 2,540 feet from the south line and 2,310 feet from the west line of Section 17, Township 21 South, Range 33 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.5 miles northeast of Hat Mesa, New Mexico.

21. ***Case No.16097: Application of Advance Energy Partners Hat Mesa, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard 240-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the W/2 E/2 of Section 20 and the W/2 SE/4 of Section 17, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, pooling all mineral interests underlying the non-standard unit from the top of the 1<sup>st</sup> Bone Spring Sand to the base of the 2<sup>nd</sup> Bone Spring Sand. The unit will be dedicated to Applicant's proposed **Wool Head #503H** well to be drilled from an approximate surface location 100 feet from the south line and 1,650 feet from the east line of Section 20, Township 21 South, Range 33 East to a bottomhole location 2,540 feet from the south line and 1,650 feet from the east line of Section 17, Township 21 South, Range 33 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.5 miles northeast of Hat Mesa, New Mexico.

22. ***Case No. 16098: Application of Advance Energy Partners Hat Mesa, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard 240-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the E/2 E/2 of Section 20 and the E/2 SE/4 of Section 17, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, pooling all mineral interests underlying the non-standard unit from the top of the 1<sup>st</sup> Bone Spring Sand to the base of the 2<sup>nd</sup> Bone Spring Sand. The unit will be dedicated to Applicant's proposed **Wool Head #504H** well to be drilled from an approximate surface location 100 feet from the south line and 330 feet from the east line of Section 20, Township 21 South, Range 33 East to a bottomhole location 2,540 feet from the south line and 330 feet from the east line of Section 17, Township 21 South, Range 33 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.5 miles northeast of Hat Mesa, New Mexico.

23. ***Case No.16099: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole Commingling, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2<sup>nd</sup> Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2<sup>nd</sup> Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Marwari 28-16 State Fed Com 232H** well to be drilled from a surface location 175 feet from the north line and 410 feet from the west line of Section 28, Township

25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 330 feet from the west line of Section 16, Township 25 South, Range 32 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, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

**24. Case No. 16100: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico.** Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2<sup>nd</sup> Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2<sup>nd</sup> Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Marwari 21-16 State Fed Com 234H** well to be drilled from a surface location 230 feet from the south line and 1480 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1650 feet from the west line of Section 16, Township 25 South, Range 32 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, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

**25 Case No. 16101: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico.** Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2<sup>nd</sup> Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2<sup>nd</sup> Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Marwari 28-16 State Fed Com 236H** well to be drilled from a surface location 175 feet from the north line and 1950 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1980 feet from the east line of Section 16, Township 25 South, Range 32 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, a 200% charge for the risk involved in drilling and completing the well, and approval of down-hole commingling. The well and lands are located approximately 29 miles east of Jal, New Mexico.

**26. Case No. 16102: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 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 **Marwari 28-16 State Fed Com 712H** well to be drilled from a surface location 850 feet from the north line and 290 feet from the west line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 980 feet from the west line of Section 16, Township 25 South, Range 32 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 29 miles east of Jal, New Mexico.

**27. Case No. 16103: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 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 **Marwari 21-16 State Fed Com 714H** well to be drilled from a surface location 620 feet from the south line and 1330 feet from the west line of Section 21, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 2300 feet from

the west line of Section 16, Township 25 South, Range 32 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 29 miles east of Jal, New Mexico.

28. **Case No. 16104:** *Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.* Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 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 **Marwari 28-16 State Fed Com 716H** well to be drilled from a surface location 850 feet from the north line and 1670 feet from the east line of Section 28, Township 25 South, Range 32 East, and a bottom hole location 330 feet from the north line and 1660 feet from the east line of Section 16, Township 25 South, Range 32 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 29 miles east of Jal, New Mexico.

29. **Case No. 16105:** *Application of LOGOS Operating, LLC, for approval of a non-standard project area comprised of acreage subject to a proposed Federal/State of New Mexico Communitization Agreement, San Juan County, New Mexico.* Applicant seeks approval of a 600- acre non-standard project area in the Gallup formation comprised of acreage subject to a proposed Federal and State of New Mexico Communitization Agreement covering the Gallup formation underlying the S/2 of Section 9 and the NW/4, W/2/ NE/4 and SE/4 NE/4 of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico. The subject acreage lies within the Nageezi Gallup Oil Pool. The subject acreage is located approximately 6 miles West of Lybrook, New Mexico.

30. **Case No. 16106:** *Application of OneEnergy Partners, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant seeks an order approving a non-standard 160-acre ± oil spacing and proration unit in the Bone Spring formation (96553) comprised of Lot 1, SE/4 NE/4, E/2 SE/4 of Section 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Breckenridge BS3 Fed Com 1H** well to be drilled from an approximate surface location 225 feet from the north line and 1,245 feet from the east line to a bottomhole location 380 feet from the south line and 380 feet from the east line of Section 4, Township 24 South, Range 35 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 3.5 miles east of Antelope Draw, New Mexico.

31. **Case No. 16107:** *Application of OneEnergy Partners, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant seeks an order approving a non-standard 240-acre ± oil spacing and proration unit in the Wolfcamp formation comprised of the E/2 SE/4 of Section 13 and E/2 E/2 of Section 24, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Donkey Kong Fed Com 1H** well to be drilled from an approximate surface location 2263 feet from the south line and 328 feet from the east line of Section 13 to a bottomhole location 380 feet from the south line and 380 feet from the east line of Section 24, Township 25 South, Range 35 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 1.1 miles south of Custer Mountain, New Mexico.

32. **Case No. 16108:** *Application of OneEnergy Partners, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant seeks an order approving a non-standard 160-acre ± oil spacing and proration unit in the Bone Spring formation (96553) comprised of Lot 4, SW/4 NW/4, W/2 SW/4 of Section 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Georgetown BS3 Fed Com 1H** well to be drilled from an approximate surface location 285 feet from the north line and 1,295 feet from the



west line to a bottomhole location 380 feet from the south line and 940 feet from the west line of Section 4, Township 24 South, Range 35 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.6 miles east of Antelope Draw, New Mexico.

33. **Case No. 16109: Application of OneEnergy Partners, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a non-standard 160-acre ± oil spacing and proration unit in the Bone Spring formation (96553) comprised of Lot 2, SW/4 NE/4, W/2 SE/4 of Section 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Golden BS3 Fed Com 1H** well to be drilled from an approximate surface location 225 feet from the north line and 1,345 feet from the east line to a bottomhole location 380 feet from the south line and 1700 feet from the east line of Section 4, Township 24 South, Range 35 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 3.2 miles east of Antelope Draw, New Mexico.

34. **Case No. 16110: Application of OneEnergy Partners, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a non-standard 160-acre ± oil spacing and proration unit in the Bone Spring formation (96553) comprised of Lot 3, SE/4 NW/4, E/2 SW/4 of Section 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Ouray BS3 Fed Com 1H** well to be drilled from an approximate surface location 225 feet from the north line and 1,395 feet from the west line to a bottomhole location 380 feet from the south line and 2260 feet from the west line of Section 4, Township 24 South, Range 35 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.9 miles east of Antelope Draw, New Mexico.

35. **Case No. 16023: (Continued from the March 22, 2018 Examiner Hearing.)** **Application of Ameredev Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 32 and the W/2 E/2 of Section 29, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be the project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Redbud State Com 25-36-32 No. 105H Well** and the proposed **Redbud State Com 25-36-32 No. 115H Well**. These wells will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 32 to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 29. The completed interval for each well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Ameredev Operating, LLC as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 6 miles southwest of Jal, NM.

36. **Case No. 16111: Application of Ameredev Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 22 and the W/2 E/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 the project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Magnolia State Com 26-36-22 No. 115H Well** and the proposed **Magnolia State Com 26-36-22 No. 105H Well**. These wells will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 27 to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 15. The completed interval for both wells will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Ameredev Operating, LLC as operator of the wells and a 200% charge for risk involved in drilling said wells. Said

area is located approximately 8 miles southwest of Jal, NM.

37. Case No. 15897: (Continued from the March 22, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the E/2 SE/4 of Section 16 and the E/2 NE/4 of Section 21, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Simon Camamile 21-23S-32E AR No. 204H Well**, which will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 21 to a standard bottom hole location in the NE/4 SE/4 (Unit I) of Section 16. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 13 miles west of Jal, NM.

38. Case No. 15898: (Continued from the March 22, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the E/2 SE/4 of Section 16 and the E/2 NE/4 of Section 21, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Simon Camamile 21-23S-32E AR No. 124H Well**, which will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 21 to a standard bottom hole location in the NE/4 SE/4 (Unit I) of Section 16. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 13 miles west of Jal, NM.

39. Case No. 16112: **Application of Chevron U.S.A. 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, 640-acre spacing and proration unit comprised of the W/2 of Section 5, Township 24 South, Range 29 East, and the W/2 of Section 32, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's three proposed wells: the **CB SE 5 32 Fed Com #1H Well**, the **CB SE 5 32 Fed Com #2H Well**, and the **CB SE 5 32 Fed Com #3H Well**, which will be simultaneously drilled and completed. The three proposed horizontal wells will be pad drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 5 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 32 for the **CB SE 5 32 Fed Com #1H Well** and the **CB SE 5 32 Fed Com #2H Well** and in the NE/4 NW/4 (Unit C) of Section 32 for the **CB SE 5 32 Fed Com #3H Well**. The completed interval for each well will be at a standard 330 foot offset pursuant to the Special Rules for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220). Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chevron U.S.A. Inc. as operator of the wells and a 200% charge for risk involved in drilling said well. Said area is located approximately 5 miles northeast of Malaga, New Mexico.

40. Case No. 16113: **Application of Chevron U.S.A. Inc. for a non-standard spacing and proration unit, compulsory pooling, and approval of an unorthodox well 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 18 and the E/2 E/2 of Section 19, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico; (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage; and (3) approving an unorthodox well location. Said non-standard unit is to be dedicated to applicant's proposed **SD EA 18 19 Fed Com P15 No. 17H Well**, its proposed **SD EA 18 19 Fed Com P15 No. 18H Well**, and its proposed **SD EA 18 19 Fed Com P15 No. 19H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 18 to a bottom hole location in SE/4 SE/4 (Unit P) of Section 19. The completed interval for the **SD EA 18 19 Fed Com P15 No. 17H Well** will commence 330 feet from the north line, 1,150 feet from the east line of Section 18 to a location 330 feet from the south line, 1,150 feet from the east line of Section 19, thereby encroaching on the spacing and proration units to the west, northwest, and southwest. The completed interval for the **SD EA 18 19 Fed Com P15 No. 18H Well** and the **SD EA 18 19 Fed Com P15 No. 19H 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 wells 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 wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 25 miles west of Jal, New Mexico.

41. **Case No. 16114: Application of Chevron U.S.A. Inc. 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 spacing and proration unit comprised of the E/2 E/2 of Section 18, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico (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 **SD EA 18 19 Fed Com P15 No. 20H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 18 to a standard bottom hole location in SE/4 SE/4 (Unit P) of Section 18. 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 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 25 miles west of Jal, New Mexico

42, **Case No. 16115: Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 640.31-acre, more or less, spacing and proration unit comprised of the E/2 of Section 6, Township 23 South, Range 26 East, NMPM and the E/2 of Section 31, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Ocotillo 6-31 State Com WCB No. 2H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 6 to a standard bottom hole location in the NE/4 NE/4 (Unit A) of Section 31. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of 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 5 miles southwest of Carlsbad, New Mexico.

43. **Case No. 16116: Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320.18-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 6, Township 23 South, Range 26 East, NMPM and the E/2 E/2 of Section 31, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Ocotillo 6-31 State Com 3BS No. 4H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 6 to a standard bottom hole location in the NE/4 NE/4 (Unit A) of Section 31. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of 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 5 miles southwest of Carlsbad, New Mexico.

44. **Case No. 16028: (Continued from the April 5, 2018 Examiner Hearing.)**  
**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 17 and the W/2 W/2 of Section 20, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's **Bonaid Fed Com No. 15H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 17 to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 20. The completed interval for this well is within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northwest of Jal, New Mexico.

45. **Case No. 16117: 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 640-acre, more or less, spacing and proration unit comprised of the W/2 of Section 5 and the W/2 of Section 8, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Hambone Federal Com 25H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 8 to a standard bottom hole location in the NE/4 NW/4 (Lot 3) of Section 5. The completed interval for this well will remain within the 330-foot setback as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles southeast of Malaga, New Mexico.

**46. Case No. 16118: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Johnston Federal 9F Well** (API No. 30-045-35152) in the Mesaverde formation with a surface location in Unit B and a bottom hole location in Unit G of the E/2 of Section 35, Township 31 North, Range 9 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Johnston Federal 9F Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 15 miles east of Aztec, NM.

**47. Case No. 16119: 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), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 319.79-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 27-4 Unit 40** (API No. 30-039-20142) in the Mesaverde formation with a surface location in Unit G of the E/2 of Section 6, Township 27 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the **San Juan 27-4 Unit 40 Well** from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

**48. Case No. 16120: 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), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 320-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 27-5 Unit 1** (API No. 30-039-07154) in the Mesaverde formation with a surface location in Unit P of the E/2 of Section 4, 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 1 Well** from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

**49. Case No. 16121: 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), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 320-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 27-5 Unit 139** (API No. 30-039-20464) in the Mesaverde formation with a surface location in Unit K of the W/2 of Section 20, 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 139 Well** from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

50. ***Case No. 16122: 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), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 320-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-5 Unit 63E** (API No. 30-039-23814) in the Mesaverde formation with a surface location in Unit J of the S/2 of Section 20, 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 63E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

51. ***Case No. 16123: 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), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 326.65-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the (API No. 30-039-20064) in the Mesaverde formation with a surface location in Unit M of the S/2 of Section 33, 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 68** Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

52. ***Case No. 16124: 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), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 320-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the (API No. 30-039-07316) in the Mesaverde formation with a surface location in Unit H of the E/2 of Section 26, 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 102** Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

53. ***Case No. 16125: 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), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 324.63-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the (API No. 30-039-20317) in the Mesaverde formation with a surface location in Unit G of the E/2 of Section 34, 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 151** Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

54. ***Case No. 16126: 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), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 320-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 29-6 Unit 76** (API No. 30-039-07557) in the Mesaverde formation with a surface location in Unit N of the W/2 of Section 23, Township 29 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the **San Juan 29-6 Unit 76** Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

55. **Case No. 16127: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Sunray F 1F Well** (API No. 30-045-34450) in the Mesaverde formation with a surface location in Unit I of the E/2 of Section 26, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Sunray F 1F Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 15 miles east of Aztec, NM.

56.. **Case No. 16032: (Continued from the April 5, 2018 Examiner Hearing.)**

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

57. **Case No. 16033: (Continued from the April 5, 2018 Examiner Hearing.)**

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 160.53-acre, more or less, non-standard spacing and proration unit comprised of the W/2 E/2 of Section 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests underlying the non-standard spacing and proration unit in the Bone Spring formation. Said spacing and proration unit is to be dedicated to applicant's proposed **Airstrip 31 18 35 RN State Com No. 133H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 31. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles west of Hobbs, NM.

58. **Case No. 16034: (Continued from the April 5, 2018 Examiner Hearing.)**

**Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation underlying a 320.79-acre, more or less, spacing and proration unit comprised of the S/2 of Section 20, Township 20 South, Range 29 East, Eddy County, New Mexico. Said spacing and proration unit is to be dedicated to applicant's proposed **Stebbins 20 Fed No. 204H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) to a non-standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 20. The completed interval for this well is unorthodox because it does not comply with the 660-foot setbacks for gas wells pursuant to the statewide rules. The Division has previously authorized the unorthodox location under Administrative Order NSL-7615. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northeast of Carlsbad, NM.

59. **Case No. 16128: Application of Percussion Petroleum 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 160-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 27, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the N Seven Rivers; Glorieta-Yeso Pool (97565) underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **South Boyd Federal Com No. 13H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 34 to a non-standard bottom hole location in the NE/4 NE/4 (Unit A) of Section 27. The completed interval for this well is closer than 330 feet to the outer boundary of the project area than required by the statewide rules for oil wells. Percussion is seeking separate administrative approval for this unorthodox well location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Percussion Petroleum Operating, LLC 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 Artesia, New Mexico.

**60. Case No. 16129: Application of Percussion Petroleum 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 160-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 27, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the N Seven Rivers; Glorieta-Yeso Pool (97565) underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **South Boyd Federal Com No. 18H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 34 to a non-standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 27. The completed interval for this well is closer than 330 feet to the outer boundary of the project area than required by the statewide rules for oil wells. Percussion is seeking separate administrative approval for this unorthodox well location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Percussion Petroleum Operating, LLC 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 Artesia, New Mexico.

**61. Case No. 16130: Application of Black River Water Management Company, LLC for a Salt Water Disposal Well and Authorization to Inject Through Its Proposed Malaga SWD No. 4 Well, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order authorizing injection of produced water for disposal purposes through its proposed **Malaga SWD No. 4 well** (API No. 30-015-44514), with a surface location 1,489 feet from the North line and 490 feet from the West line (Unit E) of Section 11, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. The maximum proposed daily injection rate will be approximately 40,000 barrels per day with an average daily injection rate of approximately 30,000 barrels per day. The proposed injection will occur within the Devonian formation at a depth of approximately 14,230 feet to 15,103 feet deep. The maximum injection pressure will be 2,846 psi. Said well is located approximately 1 mile northeast of Malaga, New Mexico.

**62. Case No. 16131: Application of Black River Water Management Company, LLC for a Salt Water Disposal Well and Authorization to Inject Through Its Proposed Malaga SWD No. 5 Well, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order authorizing injection of produced water for disposal purposes through its proposed **Malaga SWD No. 5 well** (API No. 30-015-44571), with a surface location 1,779 feet from the South line and 975 feet from the West line (Unit L) of Section 12, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. The maximum proposed daily injection rate will be approximately 50,000 barrels per day with an average daily injection rate of approximately 40,000 barrels per day. The proposed injection will occur within the Devonian formation at a depth of approximately 14,385 feet to 15,300 feet deep. The maximum injection pressure will be 2,877 psi. Said well is located approximately 1-1/2 miles northeast of Malaga, New Mexico.

**63. Case No. 16041: (Continued from the April 5, 2018 Examiner Hearing.)**  
***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Ram Energy LLC, for Wells Operated in Lea County, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Ram Energy LLC, ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-

14(E).

**64. Case No. 16042:** (Continued from the April 5, 2018 Examiner Hearing.)

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

**65. Case No. 16047:** (Continued from the April 5, 2018 Examiner Hearing.)

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

**66. Case No. 16048:** (Continued from the April 5, 2018 Examiner Hearing.)

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

**67. Case No. 16075:** (Continued from the April 5, 2018 Examiner Hearing.)

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

**68. Case No. 16027:** (Continued from the April 5, 2018 Examiner Hearing.)

***Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a non-standard 638.16-acre, more or less, spacing and proration unit comprised of the W/2 of Section 3 and the W/2 of Section 10, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be a project area for three proposed initial wells, to be drilled and completed simultaneously: the proposed **Black River 3-10 Fed Com WCA No. 2H Well**, the proposed **Black River 3-10 Fed Com WCA No. 3H Well**, and the proposed **Black River 3-10 Fed Com WCA No. 4H Well**. These wells will be horizontally drilled from a surface location in the NE/4 NW/4 (Lot 3) of Section 3 to bottom hole locations in the SW/4 SW/4 (Unit M) and the SE/4 SW/4 (Unit N) of Section 10. The



completed intervals for these wells will remain within the 330-foot offset as required by the special rules for the Purple Sage-Wolfcamp Gas Pool adopted under Division Order R-14262. Also to be considered will be the timing of the drilling and completion of said wells, the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating, LLC as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 12 miles southwest of Carlsbad, New Mexico.

**69.** *Case No. 16020: Continued from the April 5, 2018 Examiner Hearing.)*

**Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2 N/2 of Section 24 and the N/2 N/2 of Section 23, Township 18 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to the **Virgo 24/23 B2AD Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NE/4 NE/4 of Section 24, and a terminus in the NW/4 NW/4 of Section 23. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 6 miles south-southeast of Loco Hills, New Mexico.

**70.** *Case No. 16035: (Continued from the March 22, 2-018 Examiner Hearing.)*

**Application Of San Juan Resources, Inc. For Approval Of The McSimms Unit And For Allowance Of 330 Foot Setbacks From The Boundary Of The Unit, Rio Arriba County, New Mexico.** Applicant seeks approval of the McSimms Unit consisting of approximately 5,428.10 acres of the following Federal and fee lands situated in Rio Arriba County, New Mexico:

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

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

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

**71.** *Case No. 16038: (Continued from the March 22, 2018 Examiner Hearing.)*

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

72. Case No. 15926: (Continued from the April 5, 2018 Examiner Hearing.)

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

73. Case No. 15971: (Continued from the April 5, 2018 Examiner Hearing.)

**Application of Prime Rock Resources, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 20 and the E/2 W/2 of Section 29, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Olive Woolly Bugger 20-29 Federal Com #1H**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 17 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 29. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Prime Rock Resources, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 26 miles Northeast of Loving, New Mexico.

74. Case No. 16050 Continued from the April 5, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the S/2 S/2 of Section 5, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Hambone Federal 26-29-5 TB 2H** and **Hambone Federal 26-29-5 SB 6H wells**, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 11.5 miles south of Malaga, New Mexico.

75. Case No. 16051: (Continued from the April 5, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) pooling all mineral interests in the Wolfcamp formation underlying the standard 320-acre, more or less, spacing and proration unit comprised of the S/2 of Section 5, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. This proposed standard spacing and proration unit will be the project area for the **Hambone Federal 26-29-5 WB 3H** and **Hambone Federal 26-29-5 WD 4H wells**, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 11.5 miles south of Malaga, New Mexico.

76. Case No. 16036: (Continued from the April 5, 2018 Examiner Hearing.)

**Application of OneEnergy Partners Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 320.87-acre, more or less, non-standard spacing and proration unit comprised of the E/2 W/2 of Section 2 and the E/2 W/2 of Section 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted

mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. Said spacing and proration unit is to be dedicated to applicant's proposed **Blue Ribbon WCA Fed Com 1H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Lot 3) of Section 2 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 11. The completed interval for this well will remain within the 330-foot standard offset required by the Statewide Rules set forth in 18.15.15 NMAC. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OneEnergy Partners Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles west of Jal, New Mexico.

*77. Case No. 16037: (Continued from the April 5, 2018 Examiner Hearing.)*

*Application of OneEnergy Partners Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant in the above-styled cause seeks an order (1) creating a 320.91-acre, more or less, non-standard spacing and proration unit comprised of the W/2 W/2 of Section 2 and the W/2 W/2 of Section 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. Said spacing and proration unit is to be dedicated to applicant's proposed **County Fair WCA Fed Com 1H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 2 to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 11. The completed interval for this well will remain within the 330-foot standard offset required by the Statewide Rules set forth in 18.15.15 NMAC. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OneEnergy Partners Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles west of Jal, New Mexico.

*78. Case No. 16061: (Continued from the April 5, 2018 Examiner Hearing.)*

*Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant seeks an order approving a 177.24-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of Lots 1-4 (the W/2 W/2) of Section 7, Township 22 South, Range 32 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 **Laurie Wyman Fed. Com. Well No. 121H**, a horizontal well with a surface location in Lot 1, and a terminus in Lot 4, of Section 7. 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 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

*79. Case No. 16062: (Continued from the April 5, 2018 Examiner Hearing.)*

*Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 7, Township 22 South, Range 32 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 **Laurie Wyman Fed. Com. Well No. 132H**, a horizontal well with a surface location in the NE/4 NW/4, and a terminus in the SE/4 SW/4, of Section 7. 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 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

*80. Case No. 16063: (Continued from the April 5, 2018 Examiner Hearing.)*

*Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 E/2 of Section 7, Township 22 South, Range 32 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 **Laurie Wyman**

**Fed. Com. Well No. 133H**, a horizontal well with a surface location in the NW/4 NE/4, and a terminus in the SW/4 SE/4, of Section 7. 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 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

81. **Case No. 16064:** (Continued from the April 5, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 7, Township 22 South, Range 32 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 **Laurie Wyman Fed. Com. Well No. 134H**, a horizontal well with a surface location in the NE/4 NE/4, and a terminus in the SE/4 SE/4, of Section 7. 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 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

82. **Case No. 16065:** (Continued from the April 5, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 177.24-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of Lots 1-4 (the W/2 W/2) of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 211H**, a horizontal well with a surface location in Lot 1, and a terminus in Lot 4, of Section 7. 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 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

83. **Case No. 16066:** (Continued from the April 5, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 W/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 212H**, a horizontal well with a surface location in the NE/4 NW/4, and a terminus in the SE/4 SW/4, of Section 7. 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 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

84. **Case No. 16067:** (Continued from the April 5, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 E/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 213H**, a horizontal well with a surface location in the NW/4 NE/4, and a terminus in the SW/4 SE/4, of Section 7. 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 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

85. **Case No. 16068:** *(Continued from the April 5, 2018 Examiner Hearing.)*

***Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 E/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 214H**, a horizontal well with a surface location in the NE/4 NE/4, and a terminus in the SE/4 SE/4, of Section 7. 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 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.