

**DOCKET: EXAMINER HEARING - THURSDAY - MAY 25, 2017**

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

Docket Nos. 20-17 and 21-17 are tentatively set for June 8, 2017 and June 22, 2017. 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 15547 - No. 26**Case 15548 - No. 27**Case 15549 - No. 28**Case 15550 - No. 29**Case 15551 - No. 30**Case 15552 - No. 31**Case 15562 - No. 32**Case 15655 - No. 21**Case 15656 - No. 22**Case 15659 - No. 23**Case 15660 - No. 24**Case 15671 - No. 20**Case 15673 - No. 19**Case 15676 - No. 25**Case 15680 - No. 3**Case 15685 - No. 11**Case 15687 - No. 1**Case 15689 - No. 15**Case 15692 - No. 4**Case 15695 - No. 8**Case 15696 - No. 9**Case 15697 - No. 10**Case 15700 - No. 2**Case 15701 - No. 5**Case 15702 - No. 6**Case 15703 - No. 7**Case 15704 - No. 12**Case 15705 - No. 13**Case 15706 - No. 14**Case 15707 - No. 16**Case 15708 - No. 17**Case 15709 - No. 18****1. Case No. 15687: (Continued from the May 11, 2017 Examiner Hearing.)***

***Application of Cimarex Energy Co. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order from the Division: (1) creating a non-standard 640-acre, more or Jess, oil spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Sections 7 and 18, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **DaVinci 7-18 Federal Com 6H**, to be horizontally drilled. The producing area for this well will be 330 feet from the project area boundary. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 30 miles south of Carlsbad New Mexico.

2. **Case No. 15700: Application of Caza Petroleum, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Caza Petroleum, LLC seeks an order approving a non-standard 281.10-acre spacing and proration unit in the Bone Spring formation comprised of Lot 4, SW/4 NW/4, and W/2 SW/4 (the W/2 W/2) of Section 5 and the W/2 NW/4 and NW/4 SW/4 of Section 8, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The non-standard unit is to be dedicated to applicant's **Eagleclaw 5 Fed. Well No. 1H**, to be horizontally drilled from a surface location in Lot 4 of Section 5 to a bottom hole location in the NW/4 SW/4 of Section 8. 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 Caza Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling the well. The unit is located approximately 13 miles west-southwest of Monument, New Mexico.

3. **Case No. 15680: (Continued from the April 27, 2017 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 320-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 6 and the E/2 E/2 of Section 7, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the WC-025 G-09 S243532M; Wolfbone Pool (Pool Code 98098) underlying this acreage. Said non-standard unit is to be dedicated to applicant's two proposed wells: the proposed **Stove Pipe Federal Com No. 1H Well** and the proposed **Stove Pipe Federal Com No. 21H Well**, which will be simultaneously drilled and completed in the Wolfbone pool. These two stacked horizontal wells will be pad drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 6 to a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 7. The completed interval for each 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 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.

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

5. **Case No. 15701: Application of OXY USA WTP Limited Partnership 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 320-acre spacing and proration unit comprised of the N/2 N/2 of Section 9 and the N/2 N/2 of Section 10, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Turkey Track 9-10 State No. 21H Well**, which will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 8 to a standard bottom hole location in NE/4 NE/4 (Unit A) of Section 10. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA WTP Limited Partnership as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles north of Malaga, N.M.

6. **Case No. 15702: Application of OXY USA WTP Limited Partnership 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 320-acre spacing and proration unit comprised of the S/2 N/2 of Section 9 and the S/2 N/2 of Section 10, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to two initial wells: applicant's proposed **Turkey Track 9-10 State No. 22H Well** and the proposed **Turkey Track 9-10 State No. 32H Well**, which will be simultaneously drilled and completed. These two horizontal wells will be drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 8 to a standard bottom hole location in SE/4 NE/4 (Unit H) of Section 10. 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 OXY USA WTP Limited Partnership as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles north of Malaga, N.M.

7. **Case No. 15703:** *Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico.* Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre spacing and proration unit comprised of the comprised of the W/2 E/2 of Section 8 and the W/2 E/2 of Section 17, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation, Willow Lake; Bone Spring, Southeast (Pool Code 96217), underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Corral Canyon Federal Com No. 15H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 of Section 5 (Unit O) to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 17. 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 XTO Energy Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles southeast of Malaga, New Mexico.

8. **Case No. 15695:** *(Continued from the May 11, 2017 Examiner Hearing.)*  
***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Norman L & Loretta E Gilbreath, for Wells Operated in Rio Arriba and San Juan Counties, New Mexico.*** The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, ("Bureau") through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD or Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Norman L & Loretta E Gilbreath ("Operator") is out of compliance with 19.15.8 NMAC and NMSA 1978, §70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

9. **Case No. 15696:** *(Continued from the May 11, 2017 Examiner Hearing.)*  
***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Norman L Gilbreath, for Wells Operated in San Juan County, New Mexico.*** The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, ("Bureau") through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD or Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Norman L Gilbreath ("Operator") is out of compliance with 19.15.8 NMAC and NMSA 1978, §70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

10. **Case No. 15697:** *(Continued from the May 11, 2017 Examiner Hearing.)*  
***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against P-R-O Management, Inc., for Wells Operated in San Juan County, New Mexico.*** The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, ("Bureau") through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD or Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator P-R-O Management, Inc. ("Operator") is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

11. **Case No. 15685:** *(Continued from the May 11, 2017 Examiner Hearing.)*  
***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Pierce Production Company, LLC for Wells Operated in Lea County, New Mexico.*** The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, ("Bureau") through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD or Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Pierce Production, LLC ("Operator") is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

12. **Case No. 15704:** *Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Rhombus Operating Co., Ltd., for Wells Operated in Lea County, New Mexico.* The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, ("Bureau") through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD or Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Rhombus Operating Co., Ltd. ("Operator") is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

13. **Case No. 15705:** *Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Southwestern, Inc., for Wells Operated in Eddy and Lea Counties, New Mexico.* The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, ("Bureau") through its undersigned attorney, hereby files

this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Southwestern, Inc. (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

**14. Case No. 15706: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Sovereign Eagle, LLC, for a Well Operated in Roosevelt County, New Mexico.** The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, (“Bureau”) through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Sovereign Eagle, LLC (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

**15. Case No. 15689: (Continued from the May 11, 2017 Examiner Hearing.)**  
**Application of Mewbourne Oil Company for a nonstandard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 480 acre non-standard spacing and proration unit in the Wolfcamp formation underlying the SE/4 of Section 23 and the E/2 of Section 24, Township 24 South, Range 28 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to (a) the **Queen 23/24 W0OP Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SE¼SW¼ of Section 23 and a terminus in the SE¼SE¼ of Section 24, and (b) the **Queen 23/24 W2OP Fed. Com. Well No. 2H**, a horizontal well with a surface location in the SE¼SW¼ of Section 23 and a terminus in the SE¼SE¼ of Section 24. The beginning and end of the producing interval in each well will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 2-1/2 miles southeast of Malaga, New Mexico.

**16. Case No. 15707: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Tactical Oil & Gas, LLC, for a Well Operated in Eddy County, New Mexico.** The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, (“Bureau”) through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Tactical Oil & Gas, LLC (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

**17. Case No. 15708: Application of Matador Production Company for administrative approval for off-lease measurement and approval to surface lease commingle oil and gas production from the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) from all existing and future wells and existing and future leases in the N/2 of Section 13 and the N/2 of Section 14, Township 23 South, Range 27 East, NMPM, in Eddy County, New Mexico.** Pursuant to 19.15.12.10(C)(4)(g), Matador also seeks authority to commingle production into the Longwood RB Pipeline, with notice provided only to interest owners within future leases. Matador seeks approval to surface commingle oil and gas production at a common tank battery from the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) for all existing and future wells at a surface facility located in the SE/4 NE/4 (Unit H) of Section 14. Said area is located approximately 9 miles southeast of Carlsbad, New Mexico.

**18. Case No. 15709: Application of Matador Production Company for administrative approval for off-lease measurement and approval to surface lease commingle oil and gas production from the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) from all existing and future wells and existing and future leases in the S/2 of Section 13 and the S/2 of Section 14, Township 23 South, Range 27 East, NMPM, in Eddy County, New Mexico.** Pursuant to 19.15.12.10(C)(4)(g), Matador also seeks authority to commingle production into the Longwood RB Pipeline, with notice provided only to interest owners within future leases. Matador seeks approval to surface commingle oil and gas production at a common tank battery from the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) for all existing and future wells at a surface facility located in the NE/4 SE/4 (Unit I) of Section 14. Said area is located approximately 9 miles southeast of Carlsbad, New Mexico.

**19. Case No. 15673: (Continued from the May 11, 2017 Examiner Hearing.)**  
**Application of Mewbourne Oil Company for a nonstandard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 480 acre non-standard spacing and proration unit in the Wolfcamp formation underlying the E/2 of Section 12 and the SE/4 of Section 1, Township 25 South, Range 27 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Devon 12/1 W2PI Fee Com. Well No. 1H**, a horizontal well with a surface location in the NE/4 NE/4 of adjoining Section 13, and a terminus in the NE/4 SE/4, of Section 1. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for

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supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 7 miles southwest of Malaga, New Mexico.

**20. Case No. 15671: (Continued from the May 11, 2017 Examiner Hearing.)**

***Application of Smith and Marrs Inc., for approval of lease pressure maintenance project, in Eddy County, New Mexico.*** Applicant seeks approval to institute a lease pressure maintenance project in its **Superior State Well #1**, located 1980' FNL and 660' FEL, Unit H, Section 8, Township 25 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. Applicant intends to inject produced water into the Delaware Sand formation at depths of 3736-3776 feet (perforated). The well is located approximately 10 miles south east of Malaga, New Mexico.

**21. Case No. 15655: (Continued from the May 11, 2017 Examiner Hearing.)**

***Application of Black Mountain Operating LLC for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and an Unorthodox Well Location, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the W/2 SW/4 of Section 35, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico and the W/2 W/2 of Section 2, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Gramma Ridge State Com 1H well** to be drilled at an unorthodox location approximately 144.3 feet from the south line and 911 feet from the west line (surface) of Section 2, Township 22 South, Range 34 East, to 2371 feet from the south line and 330 feet from the west line (terminus) of Section 35, Township 21 South, Range 34 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 17 miles west of Eunice, New Mexico.

**22. Case No. 15656: (Continued from the May 11, 2017 Examiner Hearing.)**

***Application of Black Mountain Operating LLC for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and an Unorthodox Well Location, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the E/2 SW/4 of Section 35, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico and the E/2 W/2 of Section 2, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Gramma Ridge State Com 3H well** to be drilled at an unorthodox location approximately 144.3 feet from the south line and 971 feet from the east line (surface) of Section 2, Township 22 South, Range 34 East, to 2387 feet from the south line and 1707.7 feet from the east line (terminus) of Section 35, Township 21 South, Range 34 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 17 miles west of Eunice, New Mexico.

**23. Case No. 15659: (Continued from the May 11, 2017 Examiner Hearing.)**

***Application of GMT Exploration Company LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** GMT Exploration Company LLC seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 2, Township 22 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit (project area). The unit will be dedicated to the **Pucker Rapid State Com. Well No. 1H**, a horizontal well with a surface location in the SW/4 SW/4, and a terminus in the NW/4 NW/4, of Section 2. The beginning and end of the productive interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 12 miles west-southwest of Oil Center, New Mexico.

**24. Case No. 15660: (Continued from the May 11, 2017 Examiner Hearing.)**

***Application of GMT Exploration Company LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** GMT Exploration Company LLC seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 2, Township 22 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit (project area). The unit will be dedicated to the **Squeeze State Com. Well No. 1H**, a horizontal well with a surface location in the SE/4 SW/4, and a terminus in the NE/4 NW/4, of Section 2. The beginning and end of the productive interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 12 miles west-southwest of Oil Center, New Mexico.

**25. Case No. 15676: (Continued from the April 27, 2017 Examiner Hearing.)**

***Application Of Dakota Resources, Inc. To Reinstate The Injection Authorized By Order SWD-802, Eddy County, New Mexico.*** Applicant seeks an order re-approving injection authority pursuant to Administrative Order SWD-802 issued in 2001. Order SWD-802 authorized the disposal of produced water into the Bell Canyon member of the Delaware formation from approximately 2,926

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feet to 3,315 feet through the **Trigg Federal Well No. 1** (API No. 30-015-25006), located in the NW/4 SW/4 (Unit L) of Section 7, Township 21 South, Range 28 East, in Eddy County, New Mexico. That authority expired on July 15, 2016, due to inactivity associated with remediation efforts at the well site, which are now completed. This area is located 9 miles northeast of Carlsbad, New Mexico.

**26. Case No. 15547:** *(Continued from the March 30, 2017 Examiner Hearing.)*

**Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 22, Township 26 South, Range 27 East, NMPM, to form a standard 320 acre gas spacing and proration unit in the Wolfcamp formation. The unit is dedicated to the **Owl Draw 22 WIAP Fed. Com. Well No. 1H**, a horizontal well with a surface location 230 feet from the south line and 660 feet from the east line of adjoining Section 15, and a terminus 333 feet from the south line and 650 feet from the east line of Section 22. The beginning and end of the producing interval will be unorthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 12-1/2 miles south-southeast of Black River Village, New Mexico.

**27. Case No. 15548:** *(Continued from the March 30, 2017 Examiner Hearing.)*

**Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 22 and the E/2 E/2 of Section 27, Township 26 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit. The unit is to be dedicated to the **Owl Draw 22/27 B2AP Fed. Com. Well No. 1H**, a horizontal well with a surface location 200 feet from the south line and 600 feet from the east line of adjoining Section 15, and a terminus 333 feet from the south line and 572 feet from the east line of Section 27. 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 15 miles south-southeast of Black River Village, New Mexico.

**28. Case No. 15549:** *(Continued from the March 30, 2017 Examiner Hearing.)*

**Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 23, Township 26 South, Range 27 East, NMPM, to form a standard 320 acre gas spacing and proration unit in the Wolfcamp formation. The unit is to be dedicated to the **Owl Draw 23 DM Fed. Com. Well No. 1**, a horizontal well with a surface location in the SW/4 SW/4 of adjoining Section 14, and a terminus 344 feet from the south line and 625 feet from the west line 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 13 miles south-southeast of Black River Village, New Mexico.

**29. Case No. 15550:** *(Continued from the March 30, 2017 Examiner Hearing.)*

**Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 23, Township 26 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the W/2 W/2 of Section 23. The unit is dedicated to the **Owl Draw 23 DM Fed. Com. Well No. 2**, a horizontal well with a surface location 370 feet from the south line and 1055 feet from the west line of adjoining Section 14, and a terminus 334 feet from the south line and 661 feet from the west line 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 13 miles south-southeast of Black River Village, New Mexico.

**30. Case No. 15551:** *(Continued from the March 30, 2017 Examiner Hearing.)*

**Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 E/2 of Section 22 and the W/2 E/2 of Section 27, Township 26 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit is dedicated to the **Owl Draw 22/27 B2BO Fed. Com. Well No. 2H**, a horizontal well with a surface location 330 feet from the north line and 1585 feet from the east line of Section 22, and a terminus 330 feet from the south line and 1980 feet from the east line of Section 27. 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

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of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 15 miles south-southeast of Black River Village, New Mexico.

**31. Case No. 15552:** *(Continued from the March 30, 2017 Examiner Hearing.)*

***Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 27 and the W/2 W/2 of Section 22, Township 26 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit is to be dedicated to the **Owl Draw 27/22 B2MD Fed. Com. Well No. 1H**, a horizontal well with a surface location 170 feet from the south line and 330 feet from the west line of Section 27, and a terminus 330 feet from the north line and 330 feet from the west line of Section 22. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 14-1/2 miles south-southeast of Black River Village, New Mexico.

**32. Case No. 15562:** *(Continued from the March 30, 2017 Examiner Hearing.)*

***Application of Mewbourne Oil Company for a non-standard spacing and proration unit, compulsory pooling, and an unorthodox gas well location, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 640-acre non-standard spacing and proration unit in the Wolfcamp formation underlying the W/2 of Section 22 and the W/2 of Section 27, Township 26 South, Range 27 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit, and approving an unorthodox gas well location. The unit is to be dedicated to the **Owl Draw 27/22 W2NC Fed. Com. Well No. 2H**, a horizontal well with a surface location 170 feet from the south line and 2230 feet from the west line of Section 27, and a terminus 330 feet from the north line and 2310 feet from the west line of Section 22. The beginning and end of the producing interval will be unorthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of 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 13-1/2 miles south-southeast of Black River Village, New Mexico.