

**DOCKET: EXAMINER HEARING - THURSDAY - JUNE 8, 2017**

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

Docket Nos. 22-17 and 23-17 are tentatively set for June 22, 2017 and July 6, 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 15185 - No. 20*  
*Case 15498 - No. 16*  
*Case 15687 - No. 1*  
*Case 15695 - No. 23*  
*Case 15696 - No. 24*  
*Case 15697 - No. 25*  
*Case 15700 - No. 3*  
*Case 15701 - No. 10*  
*Case 15702 - No. 11*  
*Case 15704 - No. 26*  
*Case 15706 - No. 27*  
*Case 15710 - No. 2*  
*Case 15711 - No. 4*  
*Case 15712 - No. 5*  
*Case 15713 - No. 6*  
*Case 15714 - No. 7*  
*Case 15715 - No. 8*  
*Case 15716 - No. 9*  
*Case 15717 - No. 12*  
*Case 15718 - No. 13*  
*Case 15719 - No. 14*  
*Case 15720 - No. 15*  
*Case 15721 - No. 17*  
*Case 15722 - No. 18*  
*Case 15723 - No. 19*  
*Case 15724 - No. 21*  
*Case 15725 - No. 22*

***1. Case No. 15687: (Continued from the May 25, 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 less, 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. 15710: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.***

Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 10, Township 24 South, Range 28 East, NMPM, to form a standard 320 acre gas spacing and proration unit. The unit will be dedicated to the Tom Matthews 10-24S-28E RB Well No. 223H. The well is a horizontal well, with a surface location in the SE/4 SE/4 of adjoining Section 9. The first perforation will be 1657 feet from the south line and 330 feet from the west line, and the last perforation will be 1657 feet from the south line and 330 feet from east line, of Section 10. The producing interval of the well will be orthodox.

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Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3.5 miles southeast of Loving, New Mexico.

**3. Case No. 15700: (Continued from the May 25, 2017 Examiner Hearing.)**

***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.

**4. Case No. 15711: *Application of Cimarex Energy Co. 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 comprised of the W/2 W/2 of Section 32, Township 16 South, Range 34 East and the W/2 W/2 of Section 5, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all mineral interests in the Upper Pennsylvanian formation (Cisco/Canyon), underlying the non-standard unit. The unit will be dedicated to Applicant's proposed State LF 32-5 2H well to be drilled 330 feet from the north line and 715 feet from the west line of Section 32, Township 16 South, Range 34 East to a bottomhole location 330 feet from the south line and 480 feet from the west line of Section 5, Township 17 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 and 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 six miles southwest of Lovington, New Mexico.

**5. Case No. 15712: *Application of Special Energy Corporation for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.***

Applicant seeks an order (i) creating a 160-acre, non-standard oil spacing and proration unit (project area) comprised of the W/2 W/2 of Section 20, Township 12 South, Range 38 East, NMPM, in Lea County, and (ii) pooling all mineral interests in the San Andres formation underlying this acreage. The project area is to be dedicated to applicant's **Decker #1-H well**, which will be horizontally drilled from a surface location in Unit M in Section 17, Township 12 South, Range 38 East to a bottom hole location in Unit M of Section 20, Township 12 South, Range 38 East. The completed interval for the 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 the well and the allocation of the cost, the designation of Special Energy Corporation 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 9 miles east of Tatum, New Mexico.

**6. Case No. 15713: *Application of Special Energy Corporation for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.***

Applicant seeks an order (i) creating a 160-acre, non-standard oil spacing and proration unit (project area) comprised of the W/2 E/2 of Section 31, Township 11 South, Range 38 East, NMPM, in Lea County, and (ii) pooling all mineral interests in the San Andres formation underlying this acreage. The project area is to be dedicated to applicant's **Jenna #1-H well**, which will be horizontally drilled from a surface location in Unit O in Section 30 to a bottom hole location in Unit O of Section 31, Township 11 South, Range 38 East. The completed interval for the 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 the well and the allocation of the cost, the designation of Special Energy Corporation 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 miles east of Tatum, New Mexico.

**7. Case No. 15714: *Application of Back Nine Properties LLC for a non-standard oil spacing and proration unit and compulsory pooling, Chaves 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 6, Township 10 South, Range 28 East, NMPM, in Chaves County, and (ii) pooling all mineral interests in the San Andres formation underlying this acreage. The project area is to be dedicated to the **Bandon Dunes #2H well**, which will be horizontally drilled from a surface location in Unit P to a bottom hole location in Unit A of Section 6, Township 10 South, Range 28 East. The completed interval for the 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 the well and the allocation of the cost, the designation of Hadaway Consulting and Engineering, LLC 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 24 miles east of Roswell, New Mexico.

**8. Case No. 15715: *Application of Back Nine Properties LLC for a non-standard oil spacing and proration unit and compulsory pooling, Chaves 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 18, Township 10 South, Range 29 East, NMPM, in Chaves County,

and (ii) pooling all mineral interests in the San Andres formation underlying this acreage. The project area is to be dedicated to the **Muirfield #2H well**, which will be horizontally drilled from a surface location in Unit P to a bottom hole location in Unit A of Section 18, Township 10 South, Range 29 East. The completed interval for the 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 the well and the allocation of the cost, the designation of Hadaway Consulting and Engineering, LLC 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 30 miles east of Roswell, New Mexico.

9. ***Case No. 15716: Application of Back Nine Properties LLC for a non-standard oil spacing and proration unit and compulsory pooling, Chaves County, New Mexico.*** Applicant seeks an order (i) creating a 320-acre, non-standard oil spacing and proration unit (project area) comprised of the W/2 of Section 21, Township 11 South, Range 28 East, NMPM, in Chaves County, and (ii) pooling all mineral interests in the San Andres formation underlying this acreage. The project area is to be dedicated to the **Pinehurst #5H well**, which will be horizontally drilled from a surface location in Unit D to a bottom hole location in Unit M of Section 21, Township 11 South, Range 28 East. The completed interval for the 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 the well and the allocation of the cost, the designation of Hadaway Consulting and Engineering, LLC 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 21 miles east of Roswell, New Mexico.

10. ***Case No. 15701: (Continued from the May 25, 2017 Examiner Hearing.)***

***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.

11. ***Case No. 15702: (Continued from the May 25, 2017 Examiner Hearing.)***

***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.

12. ***Case No. 15717: Application of McElvain Energy 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) non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation comprised of the W/2 W/2 of Section 28, Township 18 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 the applicant's proposed **Ironhouse 28 BS2 State Com No. 4H Well**, which will be drilled horizontally from the SW/4 SW/4 (Unit M) to a standard bottomhole location in the NW/4 NW/4 (Unit D) of Section 28. The completed interval for this well will remain within the 330-foot standard offset required 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 applicant as operator of the well and, pursuant to NMRA 19.15.1.35, the imposition of a 200% risk charge against the working interest of any party that elects not to participate in this project. Said area is located approximately 23 miles west of Hobbs New Mexico.

13. ***Case No. 15718: 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 E/2 E/2 of Section 8 and the E/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. 16H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 of Section 5 (Unit P) to a bottom hole location in the SE/4 SE/4 (Unit P) 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

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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.

**14. Case No. 15719: 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 240.85-acre non-standard spacing and proration unit in the Wolfcamp formation comprised of the W/2 SE/4, SW/4 NW/4, and Lot 2 of Section 2 and the W/2 NE/4 of Section 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interest owners within the non-standard spacing and proration unit. Said unit will be the project area for its proposed **Parade BWY State Com No. 1H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Lot 2) of Section 2 to a standard bottom hole location in SW/4 NE/4 (Unit N) of Section 11. The completed interval for this well will comply with the 330-foot standard setbacks for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OneEnergy Partners Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 9 miles northwest of Jal, New Mexico.

**15. Case No. 15720: Application of Black River Water Management Company, LLC to Amend Administrative Order SWD-1627 for a Salt Water Disposal Well Located in Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order amending Administrative Order SWD-1627 to permit increase the diameter of the injection tubing in its **Black River SWD No. 1 well** (API No. 30-015-43807) from 4-½ inches to 5 inches. Administrative Order SWD-1627 currently only allows for tubing that is 4-½ inches or smaller. The subject well is located in Unit C of Section 31, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. All other approved well designs and permit conditions under Administrative Order SWD-1627 are proposed to remain unchanged. The Black River SWD No. 1 well is located approximately 2 miles southwest of Loving, N.M.

**16. Case No. 15498 (re-opened): Application of Matador Production Company to Re-Open Case No. 15498 To Pool The Interests Of Additional Mineral Owners Under The Terms Of Compulsory Pooling Order R-14229, Eddy County, New Mexico.** Applicant in the above-styled cause seeks to amend Division Order R-15498 to include the pooling of additional mineral interests in the Wolfcamp formation underlying the N/2 of Section 13, Township 24 South, Range 27 East, NMPM, in Eddy County, New Mexico. Said unit is dedicated to the **Brantley State Com. 13 24 27 RB No. 221H** and is located 17 miles southeast of Carlsbad, New Mexico.

**17. Case No. 15721: 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 W/2 of Section 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico and (2) pooling all uncommitted mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Airstrip 31-18S-35E RN State Com #132H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 31. 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 16 miles southwest of Lovington, NM.

**18. Case No. 15722: 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-acre, more or less, spacing and proration unit comprised of the N/2 of Section 32, Township 24 South, Range 29 East, Eddy County, New Mexico. Said spacing and proration unit is to be dedicated to applicant's proposed **Garrett Fed Com 32-24S-29E RB #221H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) to a standard bottom hole location in the NE/4 NE/4 (Unit A) of Section 32. The completed interval for this well will remain within the 330-foot standard offset required by the pool 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 10 miles southeast of Loving, NM.

**19. Case No. 15723: Application of OWL SWD Operating, LLC for Authorization to Inject, Lea County, New Mexico.** Applicant seeks an order authorizing the injection of water for disposal into the Yates-Seven Rivers formation in Lea County, New Mexico in the following well:

Bobcat SWD No. 1  
740' FSL & 705' FEL (Unit P)  
Section 25  
T-25S, R-36E, NMPM  
Lea County, New Mexico

Applicant proposes to drill the well at the above location and use it for injection of produced water at depths of 2,915 to 3,060 feet subsurface. The well is located approximately one mile west of Jal, New Mexico.

20. **Case No. 15185 (re-opened):** (Continued from the May 11, 2017 Examiner Hearing.)

***Application of Ard Energy, LLC to reopen Case No. 15185 pursuant to NMAC 19.15.13.13 and the provisions of Orders No. R-13913, as amended, R-13913-B*** and to (1) determine reasonable lease operating costs and expenses, and revenue netting attributable to the Ivar The Boneless Federal Well No. 11H (API 30-025-42514), located in a unit comprised of W/2 W/2 of Section 15, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico (the Unit); (2) to determine reasonable costs of drilling and completion, lease operating costs and expenses, and revenue netting attributable to the Ivar The Boneless Federal Wells Nos. 22H (API 30-025-42998) and 12H (API 30-025-42997), located within the Unit . The wells are located approximately five (5) miles south east of Maljamar, New Mexico.

21. **Case No. 15724:** ***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against RMR Operating, 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 RMR Operating, LLC (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

22. **Case No. 15725:** ***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Roca Production, Inc., 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 Roca Production, 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.

23. **Case No. 15695:** (Continued from the May 25, 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.

24. **Case No. 15696:** (Continued from the May 25, 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.

25. **Case No. 15697:** (Continued from the May 25, 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.

26. **Case No. 15704:** (Continued from the May 25, 2017 Examiner Hearing.)

***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

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

27. **Case No. 15706:** *(Continued from the May 25, 2017 Examiner Hearing.)*

***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.