

**DOCKET: EXAMINER HEARING - THURSDAY - JUNE 22, 2017**

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

Docket Nos. 23-17 and 24-17 are tentatively set for July 6, 2017 and July 20, 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 15655 - No. 24*  
*Case 15656 - No. 25*  
*Case 15658 - No. 8*  
*Case 15659 - No. 26*  
*Case 15660 - No. 27*  
*Case 15671 - No. 23*  
*Case 15695 - No. 19*  
*Case 15696 - No. 20*  
*Case 15700 - No. 4*  
*Case 15704 - No. 21*  
*Case 15710 - No. 6*  
*Case 15711 - No. 3*  
*Case 15717 - No. 13*  
*Case 15721 - No. 1*  
*Case 15723 - No. 22*  
*Case 15725 - No. 18*  
*Case 15727 - No. 2*  
*Case 15728 - No. 5*  
*Case 15729 - No. 7*  
*Case 15730 - No. 9*  
*Case 15731 - No. 10*  
*Case 15732 - No. 11*  
*Case 15733 - No. 12*  
*Case 15734 - No. 14*  
*Case 15735 - No. 15*  
*Case 15736 - No. 16*  
*Case 15737 - No. 17*

***1. Case No. 15721: (Continued from the June 8, 2017 Examiner Hearing.)***

***Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-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.

***2. Case No. 15727: 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) non-standard 320.02-acre, more or less, spacing and proration unit in the Bone Spring formation comprised of the W/2 W/2 of Section 1 and the W/2 W/2 of Section 12, Township 22 South, Range 33 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 **Tenderloin Federal Com No. 4H Well**, a 2-mile horizontal well which will be drilled from a surface location in the SW/4 SW/4

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(Unit M) of Section 12 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 1. 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles west of Eunice New Mexico.

**3. Case No. 15711:** *(Continued from the June 8, 2017 Examiner Hearing.)*

**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.

**4. Case No. 15700:** *(Continued from the June 8, 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.

**5. Case No. 15728:** **Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 640-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 of Section 2 and the E/2 of Section 11, Township 25 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the **Hoss 2/11 W2BO Fed. Com. Well No. 1H**, a horizontal well with a surface location 185 feet from the north line and 1700 feet from the east line of Section 2, and a terminus 330 feet from the south line and 1650 feet from the east line of Section 11. 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 4-1/2 miles south-southeast of Malaga, New Mexico.

**6. Case No. 15710:** *(Continued from the June 8, 2017 Examiner Hearing.)*

**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. 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.

**7. Case No. 15729:** **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 2 and the W/2 E/2 of Section 11, Township 25 South, Range 28 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 **Hoss 2/11 B2BO Fed. Com. Well No. 2H**, a horizontal well with a surface location 185 feet from the north line and 1650 feet from the east line of Section 2, and a terminus 330 feet from the south line and 1650 feet from the east line of Section 11. 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 4-1/2 miles south-southeast of Malaga, New Mexico.

8. **Case No. 15658 (re-opened): Application of NM&O Operating Company to re-open Case No. 15658 for compulsory pooling, Rio Arriba County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Mesaverde formation (Blanco-Mesaverde Gas Pool) underlying the S/2 of Section 35, Township 25 North, Range 2 West, NMPM, to form a standard 320 acre gas spacing and proration unit. The unit is dedicated to the **Hawk Well No. 3**, located at an orthodox location in the NE/4SW/4 of Section 35 (1835 feet from the south line and 1690 feet from the west line). Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 2-1/2 miles north of Lindrith, New Mexico.

9. **Case No. 15730: Application of Mewbourne Oil Company for approval of an unorthodox gas well location, Lea County, New Mexico.** Mewbourne Oil Company applies for an order approving an unorthodox gas well location in the Wolfcamp formation for the proposed **Salado Draw 10 WIPA Fed. Com. Well No. 2H**, located in Section 10, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico. The well has a surface location in the NE/4 NE/4 of adjoining Section 15, with a first take point 330 feet from the south and east lines of Section 10, and a last take point 330 feet from the north and east lines of Section 10. The well is in the Red Hills-Wolfcamp Gas Pool, which is developed on 640 acre spacing with wells to be located no closer than 660 feet to the outer boundary of a section. All of Section 10 will be dedicated to the well. The well unit is located approximately 20-1/2 miles west of Bennett, New Mexico.

10. **Case No. 15731: Application of Mewbourne Oil Company for approval of an unorthodox gas well location, Lea County, New Mexico.** Mewbourne Oil Company applies for an order approving an unorthodox gas well location in the Wolfcamp formation for the proposed **Salado Draw 10 W0PA Fed. Com. Well No. 3H**, located in Section 10, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico. The well has a surface location in the NE/4 NE/4 of adjoining Section 15, with a first take point 330 feet from the south line and 990 feet from the east line of Section 10, and a last take point 330 feet from the north line and 990 feet from the east line of Section 10. The well is in the Red Hills-Wolfcamp Gas Pool, which is developed on 640 acre spacing with wells to be located no closer than 660 feet to the outer boundary of a section. All of Section 10 will be dedicated to the well. The well unit is located approximately 20-1/2 miles west of Bennett, New Mexico.

11. **Case No. 15732: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 27, Township 23 South, Range 28 East, NMPM. The unit will be dedicated to the **Speedwagon 27 W0PA Fee Well No. 1H**, a horizontal well with a surface location in the NE/4 NE/4 of adjoining Section 34, with the first take point 330 feet from the south line and 430 feet from the east line, and a terminus 330 feet from the north line and 430 feet from the east line, of Section 27. The well's location is 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 1-1/2 miles southeast of Loving, New Mexico.

12. **Case No. 15733: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 27, Township 23 South, Range 28 East, NMPM. The unit will be dedicated to the **Speedwagon 27 W2PA Fee Well No. 1H**, a horizontal well with a surface location in the NE/4 NE/4 of adjoining Section 34, with the first take point 330 feet from the south line and 500 feet from the east line, and a terminus 330 feet from the north line and 500 feet from the east line, of Section 27. The well's location is 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 1-1/2 miles southeast of Loving, New Mexico.

13. **Case No. 15717: (Continued from the June 8, 2017 Examiner Hearing.)**  
**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.

14. **Case No. 15734: (This case will be dismissed.)**  
**Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Fulfer Oil & Cattle, L.L.C., 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 Fulfer Oil & Cattle, L.L.C. ("Operator") is out of compliance with 19.15.8 NMCA 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. 15735:** *Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Jack J. Grynberg, for Wells Operated in Chaves 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 Jack J. Grynberg (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

16. **Case No. 15736:** *Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Mar Oil and Gas Corporation, 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 Mar Oil and Gas Corporation (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

17. **Case No. 15737:** *Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Oasis Water Solutions, 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 Oasis Water Solutions LLC (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

18. **Case No. 15725:** *(Continued from the June 8, 2017 Examiner Hearing.) (This case will be dismissed.) 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.

19. **Case No. 15695:** *(Continued from the June 8, 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.

20. **Case No. 15696:** *(Continued from the June 8, 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.

21. **Case No. 15704:** *(Continued from the June 8, 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

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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.

**22. Case No. 15723:** *(Continued from the June 8, 2017 Examiner Hearing.)*

***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.

**23. Case No. 15671:** *(Continued from the May 25, 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.

**24. Case No. 15655:** *(Continued from the May 25, 2017 Examiner Hearing.)*

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

**25. Case No. 15656:** *(Continued from the May 25, 2017 Examiner Hearing.)*

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

**26. Case No. 15659:** *(Continued from the May 25, 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.

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27. Case No. 15660: (Continued from the May 25, 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.