

**DOCKET: EXAMINER HEARING - THURSDAY – AUGUST 17, 2017**

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

Dockets No. 31-17 and 32-17 are tentatively set for August 31, 2017 and September 14, 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. 23

Case 15348 - No. 15

Case 15670 - No. 1

Case 15751 - No. 22

Case 15753 - No. 24

Case 15757 - No. 8

Case 15758 - No. 13

Case 15759 - No. 14

Case 15763 - No. 4

Case 15767 - No. 2

Case 15773 - No. 11

Case 15774 - No. 12

Case 15788 - No. 21

Case 15791 - No. 3

Case 15792 - No. 16

Case 15793 - No. 17

Case 15794 - No. 5

Case 15795 - No. 6

Case 15796 - No. 7

Case 15797 - No. 9

Case 15798 - No. 10

Case 15799 - No. 18

Case 15800 - No. 19

Case 15801 - No. 20

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1.. **Case No. 15670 (re-opened):** *Second Amended Application of Steward Energy II, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant seeks an order (i) creating a 480-acre, non-standard oil spacing and proration unit (project area) comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 14 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 the Pollo Hermanos State #5H well, which will be horizontally drilled from a surface location in Unit N of Section 10 to a bottom hole location in Unit K of Section 3, Township 14 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 Steward Energy II, 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 16.5 miles northwest of Tatum, New Mexico.

2.. **Case No. 15767:** *(Continued from the July 20, 2017 Examiner Hearing.)*

**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 W/2 of Section 25 and the W/2 of Section 36, Township 23 South, Range 26 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 **Ghostrider 25/36 W0DM Fed. Com. Well No. 2H**, a horizontal well with a surface location 185 feet from the north line and 450 feet from the west line of Section 25, and a terminus 330 feet from the south line and 450 feet from the east line of Section 36. 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 9 miles west-southwest of Loving, New Mexico.

3.. **Case No. 15791:** *Application of Rockcliff Operating New Mexico LLC for approval of a salt water disposal well, Eddy County, New Mexico.* Applicant seeks an order approving disposal of produced water into the Atoka formation at depths of 11750-11879 feet subsurface in the existing South Culebra Bluff Unit Well No. 1, located 1980 feet from the north line and 1650 feet from the east line of Section 23, Township 23 South, Range 28 East, NMPM. The well is located approximately 3 miles east-northeast of Loving, New Mexico.

4.. **Case No. 15763:** *(Continued from the July 20, 2017 Examiner Hearing.)*

**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 36 and the W/2 W/2 of Section 25, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's two proposed initial wells: the proposed **Craig Federal Com No. 2H Well** and the proposed **Craig Federal Com No. 12H Well**, which will be simultaneously drilled and completed. The proposed initial wells are stacked laterals and will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 1, Township 26 South, Range 26 East, to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 25, Township 25 South, Range 26 East. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 13 miles southwest of Malaga, New Mexico.

5.. **Case No. 15794:** *Application of Matador Production Company 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, 160-acre, more or less, spacing and proration unit comprised of the N/2 N/2 of Section 32, Township 20 South, Range 29 East, 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 **Pennzoil 32 Fed No. 131H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 33 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 32. 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 11 miles northeast of Carlsbad, NM.

6.. **Case No. 15795:** *Application of Matador Production Company 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, 160-acre, more or less, spacing and proration unit comprised of the S/2 N/2 of Section 32, Township 20 South, Range 29 East, 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 **Pennzoil 32 Fed No. 132H Well**, SW/4 NW/4 (Unit E) of Section 33 to a standard bottom hole location in the SW/4 NW/4 (Unit E) of Section 32. 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

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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 11 miles northeast of Carlsbad, NM.

7.. **Case No. 15796: 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 20 South, Range 29 East, Eddy County, New Mexico. Said spacing and proration unit is to be dedicated to applicant's proposed **Pennzoil 32 Fed No. 201H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 33 to a non-standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 32. The completed interval for this well is unorthodox because it does not comply with the 660-foot setbacks for gas wells pursuant to the statewide rules. Matador will apply administratively for approval of an unorthodox location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 11 miles northeast of Carlsbad, NM.

8.. **Case No. 15757: (Continued from the July 20, 2017 Examiner Hearing.)**  
**Application of OXY USA 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 160-acre spacing and proration unit comprised of the N/2 S/2 of Section 29, Township 24 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 **Cedar Canyon 29 Federal Com No. 24H Well**, which will be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section to a standard bottom hole location in NE/4 SE/4 (Unit I) of Section 29. 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 Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 5 miles east of Malaga, N.M.

9.. **Case No. 15797: Application Of OXY USA Inc. For Approval Of The Mesa Verde Unit, Contraction of the Purple Sage-Wolfcamp Gas Pool, And Creation Of A Wolfcamp Oil Pool, Lea and Eddy Counties, New Mexico.** Applicant seeks an order (1) approving its Mesa Verde Unit; (2) contracting the Purple Sage-Wolfcamp Gas Pool (98220) from the interior boundary of the spacing unit; and (3) creation of a Wildcat Wolfcamp oil pool to cover the Wolfcamp formation within the Unit Area. The Mesa Verde Unit consists of approximately 3,461.80 acres of the following Federal and State lands situated in Lea and Eddy Counties, New Mexico:

**TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY**

Section 13: All

**TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY**

Section 7: E/2 NE/4, SE/4

Section 8: All

Section 9: W/2

Section 16: W/2

Section 17: All

Section 18: All

The unitized interval is the stratigraphic equivalent of the top of the Wolfcamp formation at a measured depth of 11,882 feet down to the stratigraphic equivalent of the top of the Pennsylvanian formation at a measured depth of 13,400 feet as encountered in the Jack Tank 8 Federal 2 well in Section 8, Township 24 South, Range 32 East, N.M.P.M. (API # 30-025-32192). The subject acreage is located approximately 22 miles west of Malaga, New Mexico.

10.. **Case No. 15798: Application Of OXY USA Inc. For Approval Of The Mesa Verde Unit, Contraction Of The Cotton Draw; Bone Spring, East Pool, And Expansion Of The Mesa Verde; Bone Spring Pool, Lea And Eddy Counties, New Mexico.** Applicant seeks an order (1) approving its Mesa Verde Unit; (2) contracting the Cotton Draw; Bone Spring, East Pool (96556) from the interior boundary of the spacing unit; and (3) expanding the Mesa Verde; Bone Spring Pool (96229) to cover the Bone Spring formation within the Unit Area. The Mesa Verde Unit consists of approximately 3,461.80 acres of the following Federal and State lands situated in Lea and Eddy Counties, New Mexico:

**TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY**

Section 13: All

**TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY**

Section 7:	E/2 NE/4, SE/4
Section 8:	All
Section 9:	W/2
Section 16:	W/2
Section 17:	All
Section 18:	All

The unitized interval is the stratigraphic equivalent of the top of the Bone Spring formation at a measured depth of 8,445 feet down to the stratigraphic equivalent of the top of the Wolfcamp formation at a measured depth of 11,830 as encountered in the Heavy Metal 14 Federal 1 well in Section 14, Township 24 South, Range 31 East, N.M.P.M. (API # 30-015-29603). The subject acreage is located approximately 22 miles west of Malaga, New Mexico

**11. Case No. 15773: Amended Application of RKI Exploration and Production, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 640-acre, more or less, spacing and proration unit comprised of E/2 of Section 19 and the E/2 Section 30, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation (Purple Sage Wolfcamp Gas Pool (98220)) underlying this acreage. Said non-standard unit is to be dedicated to the applicant's proposed **Pistol 19-30 Federal Com No. 1H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit A) of Section 19 to a standard bottom hole location in in the SE/4 SE/4 (Unit P) of Section 30. The completed interval for this well will remain within the 330-foot standard offset required by the Special Rules set forth in Order No. R-14262. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of RKI Exploration and Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles southeast of Malaga, New Mexico.

**12.. Case No. 15774: Amended application of RKI Exploration and Production, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 448.88-acre, more or less, spacing and proration unit comprised of W/2 of Section 29 and the NW/4 of irregular Section 32, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation (Purple Sage Wolfcamp Gas Pool (98220)) underlying this acreage. Said non-standard unit is to be dedicated to the applicant's proposed **Schooner 32-29 Federal Com No. 1H Well**, which will be horizontally drilled from a surface location in the SW/4 NW/4 (Lot 4) of irregular Section 32 to a standard bottom hole location in in the NW/4 NW/4 (Unit D) of Section 29. The completed interval for this well will remain within the 330-foot standard offset required by the Special Rules set forth in Order No. R-14262. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of RKI Exploration and Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 17 miles southeast of Malaga, New Mexico.

**13.. Case No. 15758: 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 322.42-acre 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 34 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 **Lobo Rojo B3 State Com No. 1H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (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 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 16 miles west of Eunice, New Mexico.

**14.. Case No. 15759: 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 322.49-acre spacing and proration unit in the Bone Spring Formation comprised of the E/2 W/2 of Section 1 and the E/2 W/2 of Section 12, Township 22 South, Range 34 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 **Lobo Rojo B3 State Com No. 2H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 12 to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 1. 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 16 miles west of Eunice, New Mexico.

15.. **Case No. 15348 (re-opened): Application Of WPX Energy Production, LLC To Amend Order R-14100 To Expand The West Escavada Unit And The Corresponding West Escavada Unit; Mancos Pool, Sandoval Counties and San Juan, New Mexico.** Applicant seeks to amend Order R-14100 to (1) expand the geographic area of the West Escavada Unit by 960 acres of Federal and Indian allotted land, and (2) expand the corresponding West Escavada Unit; Mancos Pool created by that Order to allow horizontal wells to be located anywhere within the Unit so long as the completed interval is no closer than 330 feet from the outer boundary of the expanded West Escavada Unit area. The proposed expanded Unit Area will consist of approximately 2,886.42 acres of Federal and Indian Allotted lands located in in all or parts of the following sections in San Juan and Sandoval Counties, New Mexico:

**TOWNSHIP 22 NORTH, RANGE 7 WEST, SANDOVAL COUNTY**

Section 7: S/2

Section 8: S/2

Section 17: All

Section 18: All

**TOWNSHIP 22 NORTH, RANGE 8 WEST, SAN JUAN COUNTY**

Section 12: S/2\*

Section 13: All\*

The unitized interval includes the Mancos formation at a depth of 3,858 feet down to the stratigraphic equivalent of the base of the Greenhorn formation at a depth of 5,695 feet as encountered in the Fulton well in Section 31, Township 23 North, Range 7 West, N.M.P.M (API No. 30-043-05164). The subject acreage is located approximately 6.5 miles Southwest of Counselor, New Mexico.

16.. **Case No. 15792: Application of Forty Acres Energy, LLC for statutory unitization, Lea County, New Mexico.** Applicant seeks an order statutorily unitizing all mineral interests in the Yates-Seven Rivers-Queen formation in the proposed West Eumont Unit underlying 7977.30 acres of federal, state, and fee lands covering all or parts of Sections 21, 22, 26-29, and 32-35 of Township 20 South, Range 36 East, N.M.P.M., and Sections 1-3, 11, and 12 of Township 21 South, Range 35 East, N.M.P.M. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 *et seq.*, will be: The necessity of unit operations; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investments, to each of the tracts in the unit area; the determination of credits and charges to be made among the working interest owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate. The unit area is centered approximately 5 miles northwest of Oil Center, New Mexico.

17.. **Case No. 15793: Application of Forty Acres Energy, LLC for approval of a secondary recovery project and to qualify the project for the recovered oil tax rate, Lea County, New Mexico.** Applicant seeks approval to institute a secondary recovery project in the West Eumont Unit Area by the injection of water into the Yates-Seven Rivers-Queen formation in wells located on 7977.30 acres of federal, state, and fee lands covering all or parts of Sections 21, 22, 26-29, and 32-35 of Township 20 South, Range 36 East, N.M.P.M., and Sections 1-3, 11, and 12 of Township 21 South, Range 35 East, N.M.P.M. Applicant further requests that the secondary recovery project for the West Eumont Unit Area be qualified for the recovered oil tax rate, pursuant to the Enhanced Oil Recovery Act (L. 1992, ch. 38) and Division regulations. The unit area is centered approximately 5 miles northwest of Oil Center, New Mexico.

18.. **Case No. 15799: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against CFM Oil, L.L.C., for Wells 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 CFM Oil, L.L.C., (“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. 15800: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Enerdyne LLC, for Wells Operated in McKinley 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 Enerdyne 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.

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20.. **Case No. 15801:** *Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Yarbrough Oil LP, 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 Yarbrough Oil LP, (“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. 15788:** *Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against S & D Partnership, for a Well 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 S & D Partnership (“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. 15751:** *(Continued from the July 20, 2017 Examiner Hearing.)*

*Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Pecos River Operating, Inc., 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 Pecos River Operating, 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. 15185 (re-opened):**

**Application of Ard Energy, LLC to reopen Case No. 15185 pursuant to NMAC 19.15.13.13 and the provisions of Order No. R-13913, as amended,** and to (1) determine reasonable lease operating costs and expenses, and revenue netting attributable to the Ivar The Boneless Federal Well No. 11H, (API No. 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 No. 22H (API No. 30-025-42998) and 12H, API No. 30-025-42997), located within the Unit. The wells are located approximately five (5) miles southeast of Maljamar, New Mexico.

24.. **Case No. 15753:** *(Continued from the July 20, 2017 Examiner Hearing.)*

*Application of the New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a compliance order against OWL SWD Operating, LLC for the Maralo Sholes B Well No. 2 operated in Lea County, New Mexico.* The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, (“Bureau”) through its undersigned attorney, seeks a compliance order (1) determining that operator, OWL SWD Operating, LLC (“Operator”) is out of compliance with 19.15.16.9 NMAC with respect to its **Maralo Sholes B Well No. 2 (API No. 30-025-09806)** in Lea County, *New Mexico*; (2) requiring Operator to return said well to compliance with 19.15.16.9 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order after the deadline established in the sought order to suspend injection authority. The subject well injects into the SWD; Yates/Seven Rivers Pool and is located approximately one mile southwest of Jal, New Mexico.