

**DOCKET: EXAMINER HEARING – THURSDAY – JULY 26, 2018**

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

Docket Nos. 32-18 and 33-18 are tentatively set for August 9, 2018 and August 23, 2018. Applications for hearing must be filed at least thirty (30) days in advance of the hearing date. OCD Rule Subsection B of 19.15.4.13 NMAC requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued. A party who plans on using projection equipment at a hearing must contact Florene Davidson, seven (7) business days prior to the hearing, requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer. The following cases will be heard by an Examiner.

**Locator Key for Cases**

Case 16048 - No. 38	Case 16235 - No. 80	Case 16309 - No. 1
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Case 16064 - No. 68	Case 16244 - No. 2	Case 16313 - No. 8
Case 16065 - No. 69	Case 16245 - No. 3	Case 16314 - No. 9
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Case 16083 - No. 59	Case 16265 - No. 82	Case 16320 - No. 15
Case 16092 - No. 51	Case 16266 - No. 83	Case 16321 - No. 16
Case 16093 - No. 52	Case 16279 - No. 84	Case 16322 - No. 17
Case 16094 - No. 53.	Case 16281 - No. 85	Case 16323 - No. 18
Case 16144 - No. 90	Case 16282 - No.86	Case 16324 - No. 21
Case 16145 - No. 91	Case 16283 - No. 87	Case 16325 - No. 22
Case 16146 - No. 92	Case 16285 - No. 88	Case 16326 - No. 23
Case 16150 - No. 93	Case 16286 - No. 89	Case 16327 - No. 24
Case 16151 - No. 94	Case 16291 - No. 43	Case 16328 - No. 25
Case 16163 - No. 95	Case 16292 - No. 44	Case 16329 - No. 26
Case 16164 - No. 96	Case 16293 - No. 45	Case 16330 - No. 27
Case 16211 - No. 60	Case 16294 - No. 46	Case 16331 - No. 28
Case 16212 - No. 61	Case 16295 - No. 47	Case 16332 - No. 29
Case 16214 - No. 78	Case 16296 - No. 40	Case 16333 - No. 30
Case 16218 - No. 48	Case 16297 - No. 41	Case 16334 - No. 31
Case 16219 - No. 54	Case 16299 - No. 42	Case 16335 - No. 32
Case 16220- No. 55	Case 16301 - No. 73	Case 16336 - No. 33
Case 16228 - No. 39	Case 16302 - No. 74	Case 16337 - No. 34
Case 16232 - No. 56	Case 16303 - No. 75	Case 16338 - No. 35
Case 16233 - No. 57	Case 16306 - No. 76	Case 16339 - No. 36
Case 16234 - No. 79	Case 16307 - No. 77	Case 16340 - No. 37

1. **Case No. 16309: Application of EOG Resources, Inc. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order (i) creating a 476.58-acre, more or less, non-standard oil spacing and proration unit (project area) comprised of the W/2 of Section 30 and the NW/4 of Section 31, Township 26 South, Range 34 East, NMPM, in Lea County, and (ii) pooling all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. The project area is to be dedicated to the Philly 31 Fed Com #701H well, which will be drilled from a surface hole location (“SHL”) in Lot 2 in Section 31 to a bottom hole location (“BHL”) in Lot 1 in Section 30, the Philly 31 Fed Com #702H well, which will be drilled from a SHL in Lot 2 in Section 31 to BHL in Lot 1 in Section 30, the Philly 31 Fed Com #703H well, which will be drilled from a SHL in Lot 3 in Section 31 to a BHL in Lot 1 in Section 30, and the Philly 31 Fed Com #704H well, which will be drilled from a SHL in Lot 3 in Section 31 to a BHL in Unit C in Section 30. The completed intervals for the wells will be unorthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost and a 200% charge for the risk involved in drilling and completing the wells. The proposed project area is located approximately twenty (20) miles southwest of Jal, New Mexico.
2. **Case No. 16244: Amended Application of Centennial Resources Production, LLC, for compulsory pooling, non-standard spacing and proration unit, non-standard location, Lea County, New Mexico;** Applicant seeks an order pooling all mineral interests within the Bone Spring Formation (Ojo Chiso Bone Spring Pool-- Pool Code **96553**) of its **Carne Asada Com State No. 301H**, non-standard spacing and proration unit and non-standard well location, with a SHL of 2240 FSL and 1780 FEL of Section 7 and a BHL of 100 FNL and 2310 FEL of Section 6, sufficient in depth to test the Bone Spring Formation at a TVD of 9,525 feet underlying the W/2 E/2 of Section 6 and W/2 NE/4 of Section 7, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico. The well will be located approximately 13 miles southwest of Eunice, New Mexico.
3. **Case No. 16245: Amended Application of Centennial Resources Production, LLC, for compulsory pooling, non-standard spacing and proration unit, non-standard location, Lea County, New Mexico;** Applicant seeks an order pooling all mineral interests within the Bone Spring Formation (Ojo Chiso Bone Spring Pool-- Pool Code 96553) of its **Carne Asada Com State No. 501H**, non-standard spacing and proration unit and non-standard well location, with a SHL of 2090 FSL and 1780 FEL of Section 7 and a BHL of 100 FNL and 2310 FEL of Section 6, sufficient in depth to test the Bone Spring Formation at a TVD of 10,250 feet underlying the W/2 E/2 of Section 6 and W/2 NE/4 of Section 7, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico. The well will be located approximately 13 miles southwest of Eunice, New Mexico.
4. **Case No. 16246: Amended Application of Centennial Resources Production, LLC, for compulsory pooling, non-standard spacing and proration unit, non-standard location, Lea County, New Mexico;** Applicant seeks an order pooling all mineral interests within the Bone Spring Formation (Ojo Chiso Bone Spring Pool-- Pool Code 96553) of its **Carne Asada Com State No. 601H**, non-standard spacing and proration unit and non-standard well location, with a SHL of 1940 FSL and 1780 FEL of Section 7 and a BHL of 100 FNL and 2310 FEL of Section 6, sufficient in depth to test the Bone Spring Formation at a TVD of 11,050 feet underlying the W/2 E/2 of Section 6 and W/2 NE/4 of Section 7, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico. The well will be located approximately 13 miles southwest of Eunice, New Mexico.
5. **Case No. 16310: Application of Kaiser-Francis Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Kaiser-Francis Oil Company seeks an order approving a 471.03-acre non-standard gas spacing and proration unit in the Wolfcamp formation comprised of Lots 1-4 and the E/2 W/2 (the W/2) of Section 19 and Lots 1 and 2 and the E/2 NW/4 (the NW/4) of Section 30, Township 23 South, Range 29 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 the **Wright Fee WC Well No. 1H**, a horizontal well with a surface location in the SE/4 NW/4 of Section 30, and a terminus in the NW/4 NW/4 of Section 19. The beginning and end of the producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 2-1/2 miles north of Harroun, New Mexico.
6. **Case No. 16311: Application of Kaiser-Francis Oil Company for a non-standard gas spacing and**

*proration unit and compulsory pooling, Eddy County, New Mexico.* Kaiser-Francis Oil Company seeks an order approving a 480-acre non-standard gas spacing and proration unit in the Wolfcamp formation comprised of the E/2 of Section 19 and the NE/4 of Section 30, Township 23 South, Range 29 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 the **Wright Fee WC Well No. 2H**, a horizontal well with a surface location in the SW/4 NE/4 of Section 30, and a terminus in the NE/4 NE/4 of Section 19. The beginning and end of the producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 2-1/2 miles north of Harroun, New Mexico.

7. *Case No. 16312: 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 comprised of the SW/4 of Section 21 and the W/2 of Section 28, Township 24 South, Range 28 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to (i) the **Kansas 21/28 WOLM Fed. Well No. 2H**, and (ii) the **Kansas 21/28 W2LM Fed. Well No. 1H**. Both wells are horizontal wells with surface locations in the NW/4 SW/4 of Section 21, and bottomhole locations in the SW/4 SW/4 of Section 28. The producing interval of each well will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 3 miles southwest of Malaga, New Mexico.

8. *Case No. 16313: Application of Mewbourne Oil Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Mewbourne Oil Company seeks an order approving a 480-acre non-standard spacing and proration unit in the Wolfcamp formation comprised of the SE/4 of Section 21 and the E/2 of Section 28, 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 the **Kansas 21/28 W0IP Fed. Com. Well No. 2H**, a horizontal well with a surface location in the NE/4 SE/4 of Section 21, and a bottomhole location in the SE/4 SE/4 of Section 28. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 2-1/2 miles southwest of Malaga, New Mexico.

9. *Case No. 16314: Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Mewbourne Oil Company seeks an order approving a 208.98-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of Lots 4, 5, 12, 13, 17, and 18 (the W/2 W/2) of oversized Section 6, Township 21 South, Range 35 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 **Pheasant Ridge 6 B1DU State Com. Well No. 1H**, a horizontal well with a surface location in Unit D and a terminus in Unit U of Section 6. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles west-northwest of Oil Center, New Mexico.

10. *Case No. 16315: 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 Lots 3, 4, S/2NW/4, and SW/4 (the W/2) of Section 2, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to (i) the **Skynyrd 2 W0CN Fee Well No. 1H**, a horizontal well with a surface location in the NE/4 NW/4 and a terminus in the SE/4 SW/4 of Section 2; (ii) the **Skynyrd 2 W0DM Fee Well No. 1H**, a horizontal well with a surface location in the NW/4 NW/4 and a terminus in the SW/4 SW/4 of Section 2; and (iii) the **Skynyrd 2 W0DM Fee Well No. 2H**, a horizontal well with a surface location in the NW/4 NW/4 and a terminus in the SW/4 SW/4 of Section 2. 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 1-1/2 miles north-northeast of Malaga, New Mexico.

**11. Case No. 16316: Application of COG Operating LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above styled cause seeks an order (1) creating an 160-acre, more or less, spacing and proration unit comprised of E/2 SE/4 of Section 18 and E/2 NE/4 of Section 19, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation, Wolfbone Pool, underlying said acreage. Said spacing unit shall be dedicated to the **Snapback Fee 501H Well**, with a surface location in the NE/4 SE/4 (Unit I) of Section 18 and a bottom hole location in SE/4 NE/4 (Unit H) of Section 19. 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 the well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% penalty for risk involved in the drilling the well. Said area is approximately 14 miles northwest of Jal, New Mexico.

**12. Case No. 16317: Application of COG Operating LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above styled cause seeks an order (1) creating an 160-acre, more or less, spacing and proration unit comprised of W/2 SE/4 of Section 18 and W/2 NE/4 of Section 19, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation, Wolfbone Pool, underlying said acreage. Said spacing unit shall be dedicated to the **Snapback Fee 502H Well**, with a surface location in the NW/4 SE/4 (Unit J) of Section 18 and a bottom hole location in SW/4 NE/4 (Unit G) of Section 19. 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 the well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% penalty for risk involved in the drilling the well. Said area is approximately 14 miles northwest of Jal, New Mexico.

**13. Case No. 16318: Application of COG Operating LLC for a standard horizontal spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the division: (1) creating a standard 480-acre, more or less, horizontal spacing and proration unit comprised of the SW/4 of Section 18 and the W/2 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation, Wolfbone Pool, underlying this acreage. Said horizontal spacing unit is to be assigned to two proposed initial wells, to be drilled and completed simultaneously: the **Snapback Fed Com Well No. 503H** and the **Snapback Fed Com Well No. 504H**. The **Snapback Fed Com Well No. 503H** will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 19 to bottom hole locations in the NE/4 SW/4 (Unit K) of Section 18, and the **Snapback Fed Com Well No. 504H** will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 19 to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 18. The completed intervals for the **Snapback Fed Com Well No. 503H** and the **Snapback Fed Com Well No. 504H** will remain within the 330-foot offset as required by the Statewide rules for oil wells. The first and last take points for the **Snapback Fed Com Well No. 503H** and the **Snapback Fed Com Well No. 504H** will remain within the 100-foot spacing requirement mandated by the Statewide rules for oil wells. Also to be considered will be the timing of the drilling and completion of said wells, the cost of drilling and completion of said wells 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 wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 14 miles west of Jal, New Mexico.

**14. Case No. 16319: Application of COG Operating LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above styled cause seeks an order (1) creating a 320-acre, more or less, horizontal spacing and proration unit comprised of SE/4 Section 18 and the NE/4 Section 19, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp Formation, Wolfbone Pool, underlying said acreage. Said spacing unit is for seven proposed initial wells, to be drilled and completed simultaneously: **Snapback Fee 601H Well**, to be drilled horizontally from a surface location in NE/4 SE/4 (Unit I) of Section 18 to a bottom hole location in SE/4 NE/4 (Unit H) of Section 19, with an unorthodox location; **Snapback Fee 602H Well, Snapback Fee 701H Well, and Snapback Fee 702H Well**, to be drilled horizontally from surface locations in NE/4 SE/4 (Unit I) of Section 18 to bottom hole locations in SE/4 NE/4 (Unit H) of Section

19, which will remain within the 330-foot offset as required by the Statewide rules for oil wells; **Snapback Fee 703H Well and Snapback Fee 704H Well** to be drilled horizontally from surface locations in NW/4 SE/4 (Unit J) of Section 18 to bottom hole locations in SW/4 NE/4 (Unit G) of Section 19, which will remain within the 330-foot offset as required by the Statewide rules for oil wells; and **Snapback Fee 603H Well**, to be drilled horizontally from a surface location in NW/4 SE/4 (Unit J) of Section 18 to a bottom hole location in SW/4 NE/4 (Unit G) of Section 19, with an unorthodox location. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells, and a 200% penalty for risk involved in the drilling the wells. Said area is approximately 14 miles northwest of Jal, New Mexico.

15. ***Case No. 16320: Application of COG Operating LLC for a standard horizontal spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order from the division: (1) creating a standard 480-acre, more or less, horizontal spacing and proration unit comprised of the SW/4 of Section 18 and the W/2 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp Formation, Wolfbone Pool, underlying this acreage. Said horizontal spacing unit is to be assigned to six proposed initial wells, to be drilled and completed simultaneously: the **Snapback Fed Com Well No. 604H, Snapback Fed Com Well No. 605H, Snapback Fed Com Well No. 705H, Snapback Fed Com Well No. 706H, Snapback Fed Com Well No. 707H and Snapback Fed Com Well No. 708H.** The **Snapback Fed Com Well No. 605H, Snapback Fed Com Well No. 707H and Snapback Fed Com Well No. 708H** will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 19 to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 18. The **Snapback Fed Com Well No. 604H, Snapback Fed Com Well No. 705H, and Snapback Fed Com Well No. 706H** will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 19 to bottom hole locations in the NE/4 SW/4 (Unit K) of Section 18. The completed intervals for the **Snapback Fed Com Well No. 604H, Snapback Fed Com Well No. 605H, Snapback Fed Com Well No. 705H, Snapback Fed Com Well No. 706H, Snapback Fed Com Well No. 707H and Snapback Fed Com Well No. 708H** will remain within the 330-foot offset as required by the Statewide rules for oil wells. The first and last take points for the **Snapback Fed Com Well No. 604H, Snapback Fed Com Well No. 605H, Snapback Fed Com Well No. 705H, Snapback Fed Com Well No. 706H, Snapback Fed Com Well No. 707H and Snapback Fed Com Well No. 708H** will remain within the 100-foot spacing requirement mandated by the Statewide rules for oil wells. Also to be considered will be the timing of the drilling and completion of said wells, the cost of drilling and completion of said wells 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 wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 14 miles west of Jal, New Mexico.

16. ***Case No. 16321: Application of Marathon Oil Permian LLC for approval of a non-standard proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order from the Division: (1) creating a non-standard 320-acre, more or less, spacing and proration unit covering the W/2 W/2 of Section 28 and the W/2 W/2 of Section 33, Township 20 South, Range 33 East, NMPM, Lea County New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this spacing and proration unit. This proposed spacing and proration unit will be the project area for the **TB Tomahawk Federal 20 33 33 TB 1H,** and the **Tomahawk Federal 20 33 33 SB 4H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 3 miles east-southeast of Halfway, New Mexico.

17. ***Case No. 16322: Application of Marathon Oil Permian LLC for approval of a non-standard proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order from the Division: (1) creating a non-standard 640-acre, more or less, spacing and proration unit covering the W/2 of Section 28 and the W/2 of Section 33, Township 20 South, Range 33 East, NMPM, Lea County New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this spacing and proration unit. This proposed spacing and proration unit will be the project area for the **Tomahawk Federal 20 33 33 WA 2H, Tomahawk Federal 20 33 33 WD 3H, Tomahawk Federal 20 33 33 WA 11H,** and the **Tomahawk Federal 20 33 33 WD 12H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located

approximately 3 miles east-southeast of Halfway, New Mexico.

**18. Case No. 16233: Application of Marathon Oil Permian LLC for approval of a non-standard proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 320-acre, more or less, spacing and proration unit covering the E/2 W/2 of Section 28 and the E/2 W/2 of Section 33, Township 20 South, Range 33 East, NMPM, Lea County New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this spacing and proration unit. This proposed spacing and proration unit will be the project area for the **Tomahawk Federal 20 33 33 TB 10H** and the **Tomahawk Federal 20 33 33 FB 24H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 3 miles east-southeast of Halfway, New Mexico.

**19. Case No. 16237: Amended Application of Marathon Oil Permian LLC for approval of 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 spacing 320-acre, more or less, spacing and proration unit covering the N/2 S/2 of Section 6, Township 23 South, Range 28 East, and the N/2 S/2 of Section 1, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Maximus Federal 23 28 6 TB 8H** well, to be horizontally drilled. The producing area for this well will be orthodox. 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 Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles south-southwest of Carlsbad, New Mexico.

**20. Case No. 16238: Amended Application of Marathon Oil Permian LLC for approval of a non-standard 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, spacing and proration unit covering the S/2 of Section 6, Township 23 South, Range 28 East, and the S/2 of Section 1, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this spacing and proration unit. This proposed spacing and proration unit will be the project area for the **Maximus Fee 23 28 6 WA 2H**, **Maximus Fee 23 28 6 WD 3H**, **Maximus Fee 23 28 6 WXY 6H**, **Maximus Federal 23 28 6 WA 9H**, and **Maximus Federal 23 28 6 WD 10H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 6 miles south-southwest of Carlsbad, New Mexico.

**21. Case No. 16324: Application of Marathon Oil Permian LLC for approval of 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 spacing 320-acre, more or less, spacing and proration unit covering the S/2 S/2 of Section 6, Township 23 South, Range 28 East, and the S/2 S/2 of Section 1, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Maximus Fee 23 28 6 TB 1H** well, to be horizontally drilled. The producing area for this well will be orthodox. 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 Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles south-southwest of Carlsbad, New Mexico.

**22. Case No. 16325: 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 320.66-acre, more or less, spacing and proration unit comprised of Lot 2, SW/4 NE/4, W/2 SE/4 [W/2 E/2] of Section 4 and W/2 E/2 of Section 9, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Corral Canyon; Bone Spring South (Pool Code 13354) underlying this acreage. Said non-

standard unit is to be dedicated to applicant's proposed **Big Papi Federal Com No. 12H**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Lot 2) of Section 4 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 9. 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 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 southwest of Malaga, New Mexico.

23. ***Case No. 16326: 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 W/2 of Section 17 and E/2 W/2 of Section 20, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Bonaid Federal Com No. 14H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 17 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 20. 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 COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles northwest of Jal, New Mexico.

24. ***Case No. 16327: 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 160-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 34, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 1H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 34 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 34. 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 COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

25. ***Case No. 16328: 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 240-acre, more or less, spacing and proration unit comprised of the E/2 SE/4 of Section 28 and the E/2 E/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 2H**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 33 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 28. 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 COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

26. ***Case No. 16329: 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 240-acre, more or less, spacing and proration unit comprised of the W/2 SE/4 of Section 28 and the W/2 E/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 3H**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 28. 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 COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

27. **Case No. 16330: 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 240-acre, more or less, spacing and proration unit comprised of the E/2 SW/4 of Section 28 and the E/2 W/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 4H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 33 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 28. 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 COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

28. **Case No. 16331: 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 240-acre, more or less, spacing and proration unit comprised of the W/2 SW/4 of Section 28 and the W/2 W/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 5H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 33 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 28. 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 COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles northwest of Eunice, New Mexico

29. **Case No. 16332: 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 160-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 34, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 6H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 34 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 34. 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 COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

30. **Case No. 16333: 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 240-acre, more or less, spacing and proration unit comprised of the W/2 SE/4 of Section 28 and the W/2 E/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 7H**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 28. 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 COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

31. **Case No. 16334: 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 240-acre, more or less, spacing and proration unit comprised of the E/2 SW/4 of Section 28 and the E/2 W/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed



**Little Bear Federal Com No. 8H**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 28. 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 COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

32. ***Case No. 16335: 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 240-acre, more or less, spacing and proration unit comprised of the W/2 SW/4 of Section 28 and the W/2 W/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 9H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 33 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 28. 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 COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles northwest of Eunice, New Mexico.

33. ***Case No. 16336: Application of McElvain Energy Inc. for a non-standard well location, 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 240-acre, more or less, spacing and proration unit comprised of the E/2 SW/4 of Section 19 and the E/2 W/2 of Section 30, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico; (2) pooling all uncommitted interests in the E-K Bone Spring Pool (Pool Code 21650) underlying this acreage; and (3) approving the unorthodox well location. Said non-standard unit is to be dedicated to the applicant's proposed **EK 30 BS2 Federal Com No. 3H Well**, which will be drilled horizontally from the SW/4 SW/4 (Unit M) of Section 30 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 19. The Special Rules for the E-K Bone Spring Pool require 80-acre spacing units and that the completed interval for a well be located within 150 feet of the center of the quarter-quarter section. The completed interval for this well will be at an unorthodox location because it is closer to the northern and southern boundaries of the proposed spacing and proration unit than allowed by the Special 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 McElvain Energy, Inc. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 27 miles west of Hobbs, New Mexico.

34. ***Case No. 16337: Application of McElvain Energy Inc. for a non-standard well location, 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 225.41-acre, more or less, spacing and proration unit underlying Lots 3 and 4 [W/2 SW/4] of Section 19 and Lots 1-4 [W/2 W/2] of Section 30, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico; (2) pooling all uncommitted interests in the E-K Bone Spring Pool (Pool Code 21650) underlying this acreage; and (3) approving the unorthodox well location. Said non-standard unit is to be dedicated to the applicant's proposed **EK 30 BS2 Federal Com No. 4H Well**, which will be drilled horizontally from the SW/4 SW/4 (Lot 4) of Section 30 to a bottom hole location in the NW/4 SW/4 (Lot 3) of Section 19. The Special Rules for the E-K Bone Spring Pool require 80-acre spacing units and that the completed interval for a well be located within 150 feet of the center of the quarter-quarter section. The completed interval for this well will be at an unorthodox location because it is closer to the northern and southern boundaries of the proposed spacing and proration unit than allowed by the Special 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 McElvain Energy, Inc. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 28 miles west of Hobbs, New Mexico.

35. ***Case No. 16338: 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 320.08-acre non-standard spacing and proration unit comprised of the W/2 E/2 of Section 34, Township 23 South,

Range 31 East, NMPM, and Lot 2, SW/4 NE/4, W/2 SE/4 [W/2 E/2] of Section 3, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Ingle Wells; Bone Spring (Pool Code 33740) underlying this acreage. Said non-standard unit will be the project area for its proposed **Platinum MDP1 “34-3” Federal Com No. 4H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 34, Township 23 South, Range 31 East, NMPM, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 3, Township 24 South, Range 31 East, NMPM. 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 OXY USA Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles east of Loving, New Mexico.

36. ***Case No. 16339: 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 320.03-acre non-standard spacing and proration unit comprised of the E/2 E/2 of Section 34, Township 23 South, Range 31 East, NMPM, and Lot 1, SE/4 NE/4, E/2 SE/4 [E/2 E/2] of Section 3, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Ingle Wells; Bone Spring (Pool Code 33740) underlying this acreage. Said non-standard unit will be the project area for its proposed **Platinum MDP1 “34-3” Federal Com No. 5H Well** and **Platinum MDP1 “34-3” Federal Com No. 6H Well** which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 34, Township 23 South, Range 31 East, NMPM, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 3, Township 24 South, Range 31 East, NMPM. The completed interval for the **Platinum MDP1 “34-3” Federal Com No. 6H Well** will remain within the 330-foot standard offset required by the Statewide Rules set forth in 19.15.15 NMAC. The completed interval for the **Platinum MDP1 “34-3” Federal Com No. 5H Well** will be at a non-standard location. OXY has applied administratively for approval of a non-standard location for the **Platinum MDP1 “34-3” Federal Com No. 5H Well**. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA Inc. as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles east of Loving, New Mexico.

37. ***Case No. 16340: Application of ConocoPhillips Company for Approval of the Zia Hills BC/WC Unit; Contraction of the Jennings Upper Bone Spring Shale Pool, the Purple Sage-Wolfcamp Gas Pool and the WC-025 G-08 S263205N Upper Wolfcamp Pool; and for Creation of Wildcat Bone Spring and Wolfcamp Oil Pools for the Unit Area, Lea and Eddy Counties, New Mexico.*** Applicant seeks an order (1) approving the Zia Hills BS/WC Unit; (2) contracting the Jennings; Upper Bone Spring Shale Pool (Pool Code 97838), the Purple Sage-Wolfcamp Gas Pool (98220) and the WC-025 G-08 S263205N; Upper Wolfcamp Pool (98065) from the interior boundary of the Unit Area; and (3) creating wildcat Bone Spring and Wolfcamp oil pools to cover the Bone Spring and Wolfcamp formations, respectively, within the Unit Area. The proposed Unit Area consists of approximately 13,863.35 acres of the following Federal and State lands situated in Lea and Eddy Counties, New Mexico:

**TOWNSHIP 26 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY**

Section 12: SW/4  
Section 13: All  
Section 14: All  
Section 23: All  
Section 24: All  
Section 25: All  
Section 26: All  
Section 27: All  
Section 34: All  
Section 35: All  
Section 36: All

**TOWNSHIP 26 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY**

Section 7: S/2  
Section 17: All

Section 18: All  
Section 19: All  
Section 20: All  
Section 25: All  
Section 26: All  
Section 27: All  
Section 28: All  
Section 29: All  
Section 30: All  
Section 31: All  
Section 32: All  
Section 33: All  
Section 34: All  
Section 35: All  
Section 36: All

The proposed unitized interval consists of the Bone Spring and Wolfcamp formations described as the stratigraphic equivalent of below the base of the Brushy Canyon formation at a measured depth of 7,678 feet down to the stratigraphic equivalent of to the top of the Cisco formation at a measured depth of 14,050 feet as encountered in the Stampede 27 1M (API No. 30-015-42118) and the State GR 1 (API No. 30-025-26785). The subject acreage is located approximately 36 miles west of Jal, New Mexico.

**38. Case No. 16048:** (Continued from the July 12, 2018 Examiner Hearing.)

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

**39. Case No. 16228:** (Continued from the July 12, 2018 Examiner Hearing.)

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

**40. Case No. 16296:** (Continued from the July 12, 2018 Examiner Hearing.)

***Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order from the Division: (1) creating a standard spacing 320-acre, more or less, spacing and proration unit covering the S/2 of Section 1, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying standard spacing and proration unit. This proposed standard spacing and proration unit will be the project area for the **Gladius Fee 23 27 1 WA 15H, Gladius Fee 23 27 1 WD 16H, Gladius Fee 23 27 1 WXY 18H, and Gladius Fee 23 27 1 WXY 12H** wells, to be horizontally drilled. The

producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 6 miles south-southwest of Carlsbad, New Mexico.

41. Case No. 16297: (Continued from the July 12, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for approval of 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 spacing 160-acre, more or less, spacing and proration unit covering the N/2 S/2 of Section 1, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Gladius Fee 23 27 1 TB 14H** well, to be horizontally drilled. The producing area for this well will be orthodox. 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 Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles south-southwest of Carlsbad, New Mexico.

42. Case No. 16299: (Continued from the July 12, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for a spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a 320-acre, more or less, spacing and proration unit covering the E/2 of Section 1, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Whistle Pig 25-28-1 TB 5H** well, to be horizontally drilled. The producing area for this well will be orthodox. 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 Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles southeast of Malaga, New Mexico.

43. Case No. 16291: (Continued from the July 12, 2018 Examiner Hearing.)

**Application of Cimarex Energy Co. of Colorado 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, spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Sections 11 and 14, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Bradley 14-11 Federal Com 1H** well, to be horizontally drilled. The producing area for this well will be orthodox. 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 12 miles southwest of Loving, New Mexico.

44. Case No. 16292: (Continued from the July 12, 2018 Examiner Hearing.)

**Application of Cimarex Energy Co. of Colorado 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, spacing and proration unit in the Wolfcamp formation, comprised of the E/2 of Sections 3 and 10, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Cherry Hills 10-3 Federal Com 1H** well, to be horizontally drilled. The producing area for this well will be orthodox. 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 12 miles southwest of Loving, New Mexico.

45. Case No. 16293: (Continued from the July 12, 2018 Examiner Hearing.)

**Application of Cimarex Energy Co. for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less,

oil spacing and proration unit in the Bone Spring formation, comprised of the W/4 of Sections 11 and 14, Township 24 South, Range 27 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Dos Equis 11-14 Federal Com**, to be horizontally drilled. The producing area for this well will be orthodox. 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 26 miles southwest of Hobbs New Mexico.

**46. Case No. 16294:** *(Continued from the July 12, 2018 Examiner Hearing.)*

***Application of Cimarex Energy Co. for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/4 of Section 21, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Mescalero Ridge 21 Federal 1H**, to be horizontally drilled. The producing area for this well will be orthodox. 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 21 miles southwest of Hobbs, New Mexico.

**47. Case No. 16295:** *(Continued from the July 12, 2018 Examiner Hearing.)*

***Application of Cimarex Energy Co. for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order from the Division: (1) creating a non-standard 320-acre, more or less, oil spacing and proration unit in the Wolfcamp formation, comprised of the E/4 of Sections 32, Township 25 South, Range 33 East and E/4 of Section 5, Township 26 South, Range 33 East, NMPM, Lea 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 **Red Hills Unit 127H**, to be horizontally drilled. The producing area for this well will be orthodox. 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 22 miles west of Jal, New Mexico.

**48. Case No. 16218:** *(Continued from the June 14, 2018 Examiner Hearing.)*

***Application of Devon Energy Production Company, L.P. for a Non-Standard Spacing and Proration Unit, Unorthodox Well Locations and Compulsory Pooling, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard spacing and proration unit comprised of the E/2 SE/4 of Section 23, the E/2 E/2 of Section 26, Lot 1 of Section 35, and the NE/4 NE/4 of Section 35, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp and Bone Spring formations underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Mean Green 23-35 Fed Com 1H, Mean Green 23-35 Fed Com 2H, Mean Green 23-35 Fed Com 3H and Mean Green 23-35 Fed Com 4H** wells. Also to be considered will be unorthodox locations for two of the wells, the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 15 miles southwest of Jal, New Mexico.

**49. Case No. 16080:** *(Continued from the May 31, 2018 Examiner Hearing.)*

***Application of COG Production LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order from the Division: (1) creating a non-standard 640-acre, more or less, oil spacing and proration unit in the Wolfcamp formation, comprised of the E/2 of Sections 13 and 24, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Momba Federal Com Well No. 801H**, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 13 to a bottomhole location in the SE//4 SE/4 (Unit P) of Section 24. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as

the actual operating costs and charges for supervision, designation of COG Production LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles south of Malaga, New Mexico.

50. **Case No. 16251:** (Continued from the June 28, 2018 Examiner Hearing.)

***Application of Ameredev Operating, LLC for an unorthodox well location, non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 16 and the E/2 W/2 of Section 21, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico; (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage; and (3) approving unorthodox well locations. Said non-standard unit is to be project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Camellia Fed Com 26 36 21 No. 114H Well** and the proposed **Camellia Fed Com 26 36 21 No. 124H Well**. These wells will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 28 to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 16. The completed interval for both wells will be at unorthodox locations because they are closer to the northeastern, eastern, and southeastern boundary of the proposed spacing and proration unit than allowed by the statewide rules. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Ameredev Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 7 miles southwest of Jal, NM.

51. **Case No. 16092:** (Continued from the June 28, 2018 Examiner Hearing.)

***Second Amended Application of Advance Energy Partners Hat Mesa, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard 320-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the W/2 W/2 of Section 15 and the W/2 W/2 of Section 22, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Stock Unit #601H** well to be drilled from an approximate surface location 100 feet from the north line and 990 feet from the west line of Section 15, Township 21 South, Range 33 East to a bottomhole location 330 feet from the south line and 990 feet from the west line of Section 22, Township 21 South, Range 33 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.5 miles northeast of Hat Mesa, New Mexico.

52. **Case No. 16093:** (Continued from the June 28, 2018 Examiner Hearing.)

***Amended Application of Advance Energy Partners Hat Mesa, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard 320-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the E/2 W/2 of Section 15 and the E/2 W/2 of Section 22, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Stock Unit #602H** well to be drilled from an approximate surface location 100 feet from the north line and 2,310 feet from the west line of Section 15, Township 21 South, Range 33 East to a bottomhole location 330 feet from the south line and 2,310 feet from the west line of Section 22, Township 21 South, Range 33 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.5 miles northeast of Hat Mesa, New Mexico.

53. **Case No. 16094:** (Continued from the June 28, 2018 Examiner Hearing.)

***Amended Application of Advance Energy Partners Hat Mesa, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard 320-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the W/2 E/2 of Section 15 and the W/2 E/2 of Section 22, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Stock Unit #603H** well to be drilled from an approximate surface location 100 feet from the north line and 1,650 feet from the east line of Section 15, Township 21 South, Range 33 East to a bottomhole location 330 feet from the south line and 1,650 feet from the east line of Section 22, Township 21 South, Range 33 East, NMPM. Also to be considered will

be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.5 miles northeast of Hat Mesa, New Mexico.

54. Case No. 16219: (Continued from the June 14, 2018 Examiner Hearing.)

**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 30 and the E/2 W/2 of Section 31, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfbone Pool underlying this acreage. Said non-standard unit is to be a project area for five proposed initial wells, to be drilled and completed simultaneously: the **Fascinator Fed Com No. 601H Well, Fascinator Fed Com No. 602H Well, Fascinator Fed Com No. 701H Well, Fascinator Fed Com No. 702H Well, and Fascinator Fed Com No. 703H Well**. These wells will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 30 to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 31. The completed intervals for the **Fascinator Fed Com No. 601H Well, Fascinator Fed Com No. 701H Well, and Fascinator Fed Com No. 702H Well** will remain within the 330-foot offset as required by the Statewide rules for oil wells. The completed interval for the **Fascinator Fed Com No. 602H Well and Fascinator Fed Com No. 703H Well** will be unorthodox. COG has applied administratively for approval of an unorthodox location for the **Fascinator Fed Com No. 602H Well and Fascinator Fed Com No. 703H Well**. Also to be considered will be the timing of the drilling and completion of said wells, the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 13 miles northwest of Jal, New Mexico.

55. Case No. 16220: (Continued from the June 14, 2018 Examiner Hearing.)

**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 30 and the W/2 W/2 of Section 31, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfbone Pool underlying this acreage. Said non-standard unit is to be a project area for five proposed initial wells, to be drilled and completed simultaneously: the **Fascinator Fed Com No. 603H Well, Fascinator Fed Com No. 604H Well, Fascinator Fed Com No. 704H Well, Fascinator Fed Com No. 705H Well, and Fascinator Fed Com No. 706H Well**. These wells will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 30 to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 31. The completed intervals for the **Fascinator Fed Com No. 603H Well, Fascinator Fed Com No. 604H Well, Fascinator Fed Com No. 705H Well, and the Fascinator Fed Com No. 706H Well** will remain within the 330-foot offset as required by the Statewide rules for oil wells. The completed interval for the **Fascinator Fed Com No. 704H Well** will be unorthodox. COG has applied administratively for approval of an unorthodox location for the **Fascinator Fed Com No. 704H Well**. Also to be considered will be the timing of the drilling and completion of said wells, the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 13 miles northwest of Jal, New Mexico.

56. Case No. 16232: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit, compulsory pooling, and one unorthodox well location, Lea County, New Mexico.** Applicant seeks an order approving a 320-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 W/2 of Section 28 and the W/2 W/2 of Section 33, Township 20 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Gavilon Fed. Com. Well No. 703H and Gavilon Fed. Com. Well No. 704H**, horizontal Wolfcamp wells with surface locations in the SW/4 SW/4 of Section 33, and bottomhole locations in the NW/4 NW/4 of Section 28. The producing interval of the Gavilon Fed. Com. Well No. 703H will be orthodox, while the Gavilon Fed. Com. Well No. 704H, which will be at an unorthodox location encroaching upon the E/2 W/2 of Section 28 and the E/2 W/2 of Section 33. 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 3 miles

east-southeast of Halfway, New Mexico

57. Case No. 16233: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit, compulsory pooling, and one unorthodox well location, Lea County, New Mexico.** Applicant seeks an order approving a 320-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 28 and the W/2 W/2 of Section 33, Township 20 South, Range 33 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 will be dedicated to the **Gavilon Fed. Com. Well No. 201H, Gavilon Fed. Com. Well No. 303H, Gavilon Fed. Com. Well No. 304H, Gavilon Fed. Com. Well No. 401H, Gavilon Fed. Com. Well No. 503H, Gavilon Fed. Com. Well No. 504H, and Gavilon Fed. Com. Well No. 602H**, horizontal Bone Spring wells with surface locations in the SW/4 SW/4 of Section 33, and botomhole locations in the NW/4 NW/4 of Section 28. The producing interval of each well will be orthodox, except for the Gavilon Fed. Com. Well No. 504H, which will be at an unorthodox location encroaching upon the E/2 W/2 of Section 28 and the E/2 W/2 of Section 33. 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 3 miles east-southeast of Halfway, New Mexico.

58. Case No. 16082: (Continued from the June 28, 2018 Examiner Hearing.)

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

59. Case No. 16083: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.** Matador Production Company seeks an order approving a 320-acre gas spacing and proration unit in the Wolfcamp formation underlying the W/2 of Section 1, Township 23 South, Range 27 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the gas spacing and proration unit. The unit will be dedicated to the **Larry Wolfisch 01-23S-27E RB Well No. 206H**, a horizontal well with a surface location in the SE/4 SW/4 of Section 36, Township 22 South, Range 27 East, N.M.P.M., and a terminus in the SE/4 SW/4 of Section 1. The producing interval of the well will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 6 miles south-southwest of Carlsbad, New Mexico.

60. Case No. 16211: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 E/2 of Section 7, Township 22 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Gains Baty State Com. Well No. 113H**, a horizontal well with a surface location in the NW/4 NE/4, and a terminus in the SW/4 SE/4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10-1/2 miles southwest of Oil Center, New Mexico.



61. Case No. 16212: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 7, Township 22 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Gains Baty State Com. Well No. 114H**, a horizontal well with a surface location in the NE/4 NE/4, and a terminus in the SE/4 SE/4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles southwest of Oil Center, New Mexico

62. Case No. 16247: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Centennial Resources Production, LLC, for compulsory pooling, non-standard spacing and proration unit, non-standard location, Lea County, New Mexico;** Applicant seeks an order pooling all mineral interests within the Bone Spring Formation (Ojo Chiso Bone Spring Pool - Pool Code 96553) of its **Frijoles State Com No. 302H**, non-standard spacing and proration unit and non-standard well location, with a SHL of 2240 FSL and 1750 FEL of Section 7 and a BHL of 100 FNL and 990 FEL of Section 6, sufficient in depth to test the Bone Spring Formation at a TVD of 9,525 feet underlying the E/2 E/2 of Section 6 and E/2 NE/4 of Section 7, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico. The well will be located approximately 13 miles southwest of Eunice, New Mexico.

63. Case No. 16248: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Centennial Resources Production, LLC, for compulsory pooling, non-standard spacing and proration unit, non-standard location, Lea County, New Mexico;** Applicant seeks an order pooling all mineral interests within the Bone Spring Formation (Ojo Chiso Bone Spring Pool - Pool Code 96553) of its **Frijoles State Com No. 502H**, non-standard spacing and proration unit and non-standard well location, with a SHL of 2090 FSL and 1750 FEL of Section 7 and a BHL of 100 FNL and 990 FEL of Section 6, sufficient in depth to test the Bone Spring Formation at a TVD of 10,250 feet underlying the E/2 E/2 of Section 6 and E/2 NE/4 of Section 7, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico. The well will be located approximately 13 miles southwest of Eunice, New Mexico.

64. Case No. 16249: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Centennial Resources Production, LLC, for compulsory pooling, non-standard spacing and proration unit, non-standard location, Lea County, New Mexico;** Applicant seeks an order pooling all mineral interests within the Bone Spring Formation (Ojo Chiso Bone Spring Pool - Pool Code 96553) of its **Frijoles State Com No. 602H**, non-standard spacing and proration unit and non-standard well location, with a SHL of 1940 FSL and 1750 FEL of Section 7 and a BHL of 100 FNL and 990 FEL of Section 6, sufficient in depth to test the Bone Spring Formation at a TVD of 11,050 feet underlying the E/2 E/2 of Section 6 and E/2 NE/4 of Section 7, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico. The well will be located approximately 13 miles southwest of Eunice, New Mexico.

65. Case No. 16061: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 177.24-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of Lots 1-4 (the W/2 W/2) of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 121H**, a horizontal well with a surface location in Lot 1, and a terminus in Lot 4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south of the intersection of State Highway 176 and U.S. Highway

62/180.

66. Case No. 16062: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 132H**, a horizontal well with a surface location in the NE/4 NW/4, and a terminus in the SE/4 SW/4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180

67. Case No. 16063: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 E/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 133H**, a horizontal well with a surface location in the NW/4 NE/4, and a terminus in the SW/4 SE/4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

68. Case No. 16064: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 134H**, a horizontal well with a surface location in the NE/4 NE/4, and a terminus in the SE/4 SE/4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

69. Case No. 16065: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 177.24-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of Lots 1-4 (the W/2 W/2) of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 211H**, a horizontal well with a surface location in Lot 1, and a terminus in Lot 4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

70. Case No. 16066: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 W/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 212H**, a horizontal well with a surface location in the NE/4 NW/4, and a terminus in the SE/4 SW/4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

71. Case No. 16067: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 E/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 213H**, a horizontal well with a surface location in the NW/4 NE/4, and a terminus in the SW/4 SE/4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

72. Case No. 16068: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 E/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 214H**, a horizontal well with a surface location in the NE/4 NE/4, and a terminus in the SE/4 SE/4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

73. Case No. 16301: (Continued from the July 12, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 320-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Sections 16 and 21, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Dobro Federal 24-28-16 SB 1H** well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 1-1 ½ mile west of Malaga, New Mexico.

74. Case No. 16302: (Continued from the July 12, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 320-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the W/2 E/2 of Sections 16 and 21, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the

Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Dobro Federal 24-28-16 TB 6H and Dobro Federal 24-28-16 SB 8H** wells, to be horizontally drilled. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 1-1 ½ mile west of Malaga, New Mexico.

75. *Case No. 16303:* *(Continued from the July 12, 2018 Examiner Hearing.)*

***Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order from the Division: (1) creating a 640-acre, more or less, spacing and proration unit in covering the E/2 of Sections 16 and 21, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be dedicated to the **Dobro Federal 24-28-16 WXY 2H, Dobro Federal 24-28-16 WA 4H, Dobro Federal 24-28-16 WXY 9H, Dobro Federal 24-28-16 WD 3H, Dobro Federal 24-28-16 WD 5H, Dobro Federal 24-28-16 WD 7H, and Dobro Federal 24-28-16 WD 10H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 1-1 ½ mile west of Malaga, New Mexico.

76. *Case No. 16306:* *(Continued from the July 12, 218 Examiner Hearing.)*

***Application of Marathon Oil Permian LLC for approval of a non-standard spacing and proration unit, non-standard locations, and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit in covering the W/2 of Section 15, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico; (2) approving non-standard locations; and, (3) pooling all mineral interests in the Wolfcamp formation underlying this proposed standard spacing and proration unit. This proposed standard spacing and proration unit will be the unit for the **Flowmaster Fee 24-34-15 WXY 2H, Flowmaster Fee 24-34-15 WA 6H, and Flowmaster Fee 24-34-15 WA 14H** wells, to be horizontally drilled. The producing areas for these wells will contain unorthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles northwest of Jal, New Mexico.

77. *Case No. 16307:* *(Continued from the July 12, 2018 Examiner Hearing.)*

***Application of Marathon Oil Permian LLC for approval of non-standard locations and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit in covering the W/2 of Section 15, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico; (2) approving non-standard locations; and, (3) pooling all mineral interests in the Wolfcamp formation underlying this proposed standard spacing and proration unit. This proposed standard spacing and proration unit will be the unit for the **Flowmaster Fee 24-34-15 WD 3H** well, to be horizontally drilled. The producing areas for this well will contain unorthodox locations. 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 Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 17 miles northwest of Jal, New Mexico.

78. *Case No. 16214:* *(Continued from the June 28, 2018 Examiner Hearing.)*

***Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order from the Division: (1) creating a non-standard 240-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Section 36 and the E/2 SE/4 of Section 25, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Southern Comfort State 24-28-25 TB 6H** well, to be horizontally drilled. The producing area for this well will be orthodox. 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 Marathon as operator of the well, and a 200% charge for risk involved in

drilling said well. Said area is located approximately 3 miles south of Malaga, New Mexico.

79. **Case No. 16234:** (Continued from the July 12, 2018 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 480-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the NE/4 of Section 21 and the E/2 of Section 16, Township 24 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 **Creedence 21/16 W0HA State Com. Well No. 1H** and the **Creedence W0HA State Com. Well No. 2H**, horizontal wells with surface locations in the SE/4 NE/4 of Section 21, and bottomhole locations in the NE/4 NE/4 of Section 16. 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 1 mile west of Malaga, New Mexico

80. **Case No. 16235:** (Continued from the July 12, 2018 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 480-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the NW/4 of Section 21 and the W/2 of Section 16, Township 24 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 **Creedence 21/16 W2ED State Com. Well No. 1H** and the **Creedence W0ED State Com. Well No. 2H**, horizontal wells with surface locations in the SW/4 NW/4 of Section 21, and bottomhole locations in the NW/4 NW/4 of Section 16. 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 1-1/2 mile west of Malaga, New Mexico.

81. **Case No. 16236:** (Continued from the July 12, 2018 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 S/2 of Section 9 and the S/2 of Section 8, Township 24 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 **Chicago 9/8 W0IL Fee Well No. 1H**, a horizontal well with a surface location in the SE/4 NE/4 of Section 9, and a bottomhole location in the NW/4 SW/4 of Section 8. 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 2 miles west-northwest of Malaga, New Mexico.

82. **Case No. 16265:** (Continued from the July 12, 2018 Examiner Hearing.)

***Application of Centennial Resource Production, 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-acre, more or less, spacing and proration unit comprised of the E/2 SE/4 of Section 1 and E/2 E/2 of Section 12, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Duck Hunt State Com No. 601H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 1 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 12. The completed interval for this well will be at an unorthodox location because it is closer to the southern and southeastern boundaries of the proposed spacing and proration unit than allowed by the statewide rules. Centennial is seeking separate administrative approval for this unorthodox well location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Centennial Resource Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles southwest of Eunice, New Mexico.

83. **Case No. 16266:** (Continued from the July 12, 2018 Examiner Hearing.)

***Application of Centennial Resource Production, 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-acre, more or less, spacing and proration unit comprised of the W/2 SE/4 of Section 1 and W/2 E/2 of Section 12, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Duck Hunt State Com No. 602H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 1 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 12. The completed interval for this well will be at an unorthodox location because it is closer to the southern and southeastern boundaries of the proposed spacing and proration unit than allowed by the statewide rules. Centennial is seeking separate administrative approval for this unorthodox well location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Centennial Resource Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles southwest of Eunice, New Mexico.

**84. Case No. 16279:** *(Continued from the July 12, 2018 Examiner Hearing.)*

**Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 200-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the SE/4SW/4 and S/2SE/4 of Section 11 and the S/2SW/4 of Section 12, Township 19 South, Range 29 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 Sapphire 11/12 B2NN State Com. Well No. 1H and the Sapphire 11/12 B3NN State Com. Well No. 2H, horizontal wells with surface locations in the SE/4SW/4 of Section 11, and bottomhole locations in the SE/4SW/4 of Section 12. 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 11 miles south-southwest of Loco Hills, New Mexico.

**85. Case No. 16281:** *(Continued from the July 12, 2018 Examiner Hearing.)*

**Application of Novo Oil & Gas, 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 creating a 279.42-acre non-standard spacing unit and proration unit (project area) in the Bone Spring formation comprised of Lots 1 – 4 (N/2N/2) of Section 6 and Lots 2, 3 and 4 (N/2NW/4 and NW/4NE/4) of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 1 5 23S 29E 2B #1H well** which will be horizontally drilled from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NW/4NE/4 of Section 5, Township 23 South, Range 29 East. The producing interval will be orthodox. 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 applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

**86. Case No. 16282:** *(Continued from the July 12, 2018 Examiner Hearing.)*

**Application of Novo Oil & Gas, 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 creating a 320-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2S/2 of Section 4 and S/2S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 6 4 23S 29E 3B #1H well** which will be horizontally drilled from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East. The producing interval will be orthodox. 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 applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

87. Case No. 16283: (Continued from the July 12, 2018 Examiner Hearing.)

**Application of Novo Oil & Gas, 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 creating a 320-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2S/2 of Section 4 and N/2S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 6 4 23S 29E 3B #2H well** which will be horizontally drilled from a surface location in the NE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the NW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the NE/4SE/4 of Section 4, Township 23 South, Range 29 East. The producing interval will be orthodox. 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 applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

88. Case No. 16285: (Continued from the July 12, 2018 Examiner Hearing.)

**Application of Novo Oil & Gas, 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 creating a 636.30-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the N/2 of Section 5 and N/2 of Section 6, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 1 5 WB 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NE/4NE/4 of Section 5, Township 23 South, Range 29 East, and the **Rana Salada Fed Com 1 5 WXY 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NE/4NE/4 of Section 5, Township 23 South, Range 29 East. The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. 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 applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

89. Case No. 16286: (Continued from the July 12, 2018 Examiner Hearing.)

**Application of Novo Oil & Gas, 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 creating a 640-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the S/2 of Section 4 and S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 6 4 WB 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East, and the **Rana Salada Fed Com 6 4 WXY 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East. The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. 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 applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

90. Case No. 16144: (Continued from the June 14, 2018, Examiner Hearing.)

**Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit, non-standard locations, and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-

standard 240-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the W/2 E/2 of Section 18 and the W/2 NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; (2) approving non-standard locations; and, (3) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Blueberry Hill Fee 24-35-19 TB 3H** well, to be horizontally drilled. The producing area for the well will have unorthodox locations. 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 Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles northwest of Jal, New Mexico.

**91. Case No. 16145:** (Continued from the June 14, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for approval of a non-standard spacing and proration unit, non-standard locations, and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 480-acre, more or less, spacing and proration unit in the Wolfcamp formation, comprised of the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and, (2) approving non-standard locations; and (3) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. This proposed spacing and proration unit will be the project area for the **Blueberry Hill Fee 24-35-19 WXY 4H**, **Blueberry Hill Fee 24-35-19 WA 5H**, and **Blueberry Hill Fee 24-35-19 WA 6H** wells, to be horizontally drilled. The producing area for these wells will have unorthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles northwest of Jal, New Mexico.

**92. Case No. 16146:** (Continued from the June 14, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit, non-standard locations, and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 240-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Section 18 and the E/2 NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; (2) approving non-standard locations; and, (3) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Blueberry Hill Fee 24-35-19 TB 10H** well, to be horizontally drilled. The producing area for the well will have unorthodox locations. 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 Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles northwest of Jal, New Mexico.

**93. Case No. 16150:** (Continued from the June 14, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for the approval of a non-standard spacing and proration unit, non-standard locations and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard spacing 320-acre, more or less, spacing and proration unit covering the W/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; (2) pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit; and (3) the approval of non-standard locations. This proposed non-standard spacing and proration unit will be the project area for the **Halberd Federal 24-35-18 WA 5H**; **Halberd Federal 24-35-18 WXY 3H**; and **Halberd Federal 24-35-18 WXY 10H** wells, to be horizontally drilled. The producing area for these wells will have unorthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles northwest of Jal, New Mexico.

**94. Case No. 16151:** (Continued from the June 14, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit, non-standard locations, and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the W/2 W/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; (2) approving non-standard locations; and, (3) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the



**Halberd Federal 24-35-18 FB 12H** and **Halberd Federal 24-35-18 TB 6H** wells, to be horizontally drilled. The producing area for the wells will have unorthodox locations. 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 Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles northwest of Jal, New Mexico.

95. *Case No. 16163*: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Devon Energy Production Company, L.P. 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) authorizing a non-standard spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 632.38-acre non-standard spacing and proration unit comprised of the W/2 of Section 30 and the W/2 of Section 31, Township 23 South, Range 29 East, Eddy County, New Mexico; and (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to the applicant's four proposed initial wells:

- The proposed **Spud Muffin 30-31 Fed Com 621H Well**, which will be horizontally drilled from a surface location in the SW/4SW/4 of Section 31 (Unit M, Lot 4) to a bottom hole location in the NW/4NW/4 of Section 30 (Unit D, Lot 1);
- The proposed **Spud Muffin 30-31 Fed Com 732H Well**, which will be horizontally drilled from a surface location in the SW/4SW/4 of Section 31 (Unit M, Lot 4) to a bottom hole location in the NW/4NW/4 of Section 30 (Unit D, Lot 1);
- The proposed **Spud Muffin 31-30 Com 622H Well**, which will be horizontally drilled from a surface location in the SE/4SW/4 of Section 31 (Unit N) to a bottom hole location in the NE/4NW/4 of Section 30 (Unit K);
- The proposed **Spud Muffin 31-30 Com 734H Well**, which will be horizontally drilled from a surface location in the SE/4SW/4 of Section 31 (Unit N) to a bottom hole location in the NE/4NW/4 of Section 30 (Unit C).

The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. 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 Devon Energy Production Company, L.P. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico.

96. *Case No. 16164*: (Continued from the June 28, 2018 Examiner Hearing.)

**Application of Devon Energy Production Company, L.P. 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) authorizing a non-standard spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 640-acre non-standard spacing and proration unit comprised of the E/2 of Section 30 and the E/2 of Section 31, Township 23 South, Range 29 East, Eddy County, New Mexico; and (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to the applicant's four proposed initial wells:

- The proposed **Spud Muffin 31-30 623H Well**, which will be horizontally drilled from a surface location in the SW/4SE/4 of Section 31 (Unit O) to a bottom hole location in the NW/4NE/4 of Section 30 (Unit B);
- The proposed **Spud Muffin 31-30 736H Well**, which will be horizontally drilled from a surface location in the SW/4SE/4 of Section 31 (Unit O) to a bottom hole location in the NW/4NE/4 of Section 30 (Unit B);
- The proposed **Spud Muffin 31-30 624H Well**, which will be horizontally drilled from a surface location in the SE/4SE/4 of Section 31 (Unit P) to a bottom hole location in the NE/4NE/4 of Section 30 (Unit A);
- The proposed **Spud Muffin 31-30 738H Well**, which will be horizontally drilled from a surface location in the SE/4SE/4 of Section 31 (Unit P) to a bottom hole location in the NE/4NE/4 of Section 30 (Unit A);

The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. 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 Devon Energy Production Company, L.P. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico.