

DOCKET: EXAMINER HEARING – THURSDAY – SEPTEMBER 6, 2018

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

Docket Nos. 38-18 and 39-18 are tentatively set for September 20, 2018 and October 4, 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 16041 - No. 45	Case 16347 - No. 51	Case 16396- No. 29
Case 16142 - No. 57	Case 16348 - No. 52	Case 16397 - No. 30
Case 16143- No. 58	Case 16349 - No. 53	Case 16398 - No. 31
Case 16163 - No. 62	Case 16354 - No. 46	Case 16399 – No. 36
Case 16164 - No. 63	Case 16355- No. 47	Case 16400 - No. 37
Case 16206 - No. 44	Case 16360 - No. 54	Case 16401 - No. 38
Case 16214 - No. 56	Case 16362 - No. 27	Case 16402 - No. 43
Case 16231 - No. 59	Case 16363 - No. 28	
Case 16239 - No. 64	Case 16367- No. 39	
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Case 16242- No. 67	Case 16370 - No. 42	
Case 16243 - No. 68	Case 16378 - No. 1	
Case 16252 - No. 32	Case 16379 - No. 7	
Case 16253 - No 33	Case 16380 - No. 8	
Case 16254 - No.34	Case 16381 - No.11	
Case 16255- No. 35	Case 16382 - No.12	
Case 16284 - No. 55	Case 16383 - No.13	
Case 16291 - No. 2	Case 16384 - No. 14	
Case 16292 - No. 3	Case 16385 - No. 15	
Case 16293 - No. 4	Case 16386 - No. 16	
Case 16294 - No. 5	Case 16387 - No. 17	
Case 16295 - No. 6	Case 16388 - No. 18	
Case 16304 - No. 9	Case 16389 - No. 19	
Case 16305 - No. 10	Case 16390- No. 20	
Case 16310 - No. 60	Case 16391 - No. 21	
Case 16311 - No. 61	Case 16392 - No. 22	
Case 16342- No. 26	Case 16393 - No.23	
Case 16344 - No. 48	Case 16394 - No. 24	
Case 16345 - No. 49	Case 16395 - No. 25	
Case 16346 - No. 50		

1. **Case No. 16378: Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation in a standard horizontal spacing unit comprised of the W/2 of Section 25 and the W/2 of Section 36, Township 25 South, Range 26 East, in Eddy County. Applicant will dedicate its **Road Runner Federal Com # 23H** well to the horizontal spacing unit. The well will be horizontally drilled from a surface location in Unit N of Section 36 to a bottom hole location in Unit C of Section 25, Township 25 South, Range 26 East. The completed interval for 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, the designation of COG Operating LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well location is approximately ten (10) miles southeast of Whites City, New Mexico.

2. **Case No. 16291: (Continued from the July 26, 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.

3. **Case No. 16292: (Continued from the July 26, 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.

4. **Case No. 16293: Amended 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 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 4H 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 26 miles southwest of Hobbs, New Mexico

5. **Case No. 16294: (Continued from the July 26, 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.

6. ***Case No. 16295: Amended 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 W/4 of Sections 32, Township 25 South, Range 33 East and W/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.

7. ***Case No. 16379: Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order from the Division pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the E/2 E/2 of Section 7, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be the unit for the **Lea Federal Com 30H 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 11.6 miles southeast of the intersection of Hobbs Highway 180 and County Road 27-A/Marathon Road.

8. ***Case No. 16380: Application of Chevron U.S.A. Inc. for approval of non-standard oil spacing units and commingling, or alternatively for the contraction of the WC-025 G-06 S263319P, Bone Spring pool and the Sanders Tank; Upper Wolfcamp Pool, and for the creation of new Bone Spring and Upper Wolfcamp pools, special pool rules, and commingling in Section 29 and irregular Section 32, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico.*** Applicant seeks an order from the Division: (1) creating a 949.56 acre, more or less, oil spacing unit in the Bone Spring formation, in Section 29 and irregular Section 32, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico; (2) creating a 949.56, more or less, oil spacing unit in the upper Wolfcamp formation, in Section 29 and irregular Section 32, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico; and (3) approving the commingling of production. Alternatively, Chevron seeks an order (1) contracting the WC-025 G-06 S263319P, Bone Spring pool (Pool Code 97955) and the Sanders Tank; Upper Wolfcamp Pool (Pool Code 98097) in Section 29 and irregular Section 32, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico; (2) creating a new pool which covers the Bone Spring formation from within Section 29 and Section 32; (3) creating a new pool which covers the Upper Wolfcamp formation within Section 29 and Section 32; (3) establishing a spacing based on 160-acre tracts for oil wells completed within these newly formed pools; and (4) approval of commingling of production from the Bone Spring and Upper Wolfcamp pools created. The relief requested is for the development of the **Salado Draw 29 26 33 Fed Com 5H, Salado Draw 29 26 33 Federal Com 1H, Salado Draw 29 26 33 Federal Com 2H, Salado Draw 29 26 33 Federal Com 3H, Salado Draw 29 26 33 Federal Com 4H, Salado Draw 29 26 33 Federal Com 6H, Salado Draw 29 26 33 Federal Com 7H, Salado Draw 29 26 33 Federal Com 8H, Mooses Tooth 29 26 33 Federal Com 1H, SD EA 29 32 Fed Com P10 19H, SD EA 29 32 Fed Com P10 17H, SD EA 29 32 Fed Com P10 18H, SD EA 29 32 Fed Com P10 20H, SD EA 29 32 Fed Com P11 13H, SD EA 29 32 Fed Com P11 14H, SD EA 29 32 Fed Com P11 15H and SD EA 29 32 Fed Com P11 16H** wells. Said area is located approximately 35 miles southeast of Jal, New Mexico.

9. ***Case No. 16304: (Continued from the August 9, 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 S/2 of Sections 7 and 8, Township 23 South, Range 27 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 **Crossbow 23 27 8 WXY 2H** and **Crossbow 23 27 8 WA 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 8 miles southwest of Carlsbad, New Mexico.

10. Case No. 16305: (Continued from the August 9, 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 160-acre, more or less, spacing and proration unit in covering the S/2 S/2 of Section 8, Township 23 South, Range 27 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 **Crossbow Federal 23-27-8 TB** 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 southwest of Carlsbad, New Mexico.

11. Case No. 16381: *Application of Marathon Oil Permian LLC for a horizontal spacing and proration unit*

and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) creating a 1280-acre, more or less, spacing unit in covering Sections 7 and 8, Township 23 South, Range 27 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 unit will be the unit for the **Crossbow 23 27 8 WXY 2H, Crossbow 23 27 8 WA 4H, Crossbow Federal 23 27 8 WXY 9H, Crossbow Federal 23 27 8 WA 10H, Crossbow Federal 23 27 8 WXY 8H Crossbow Federal 23 27 8 WXY 14H, Crossbow Federal 23 27 8 WA 15H and Crossbow Federal 23 27 8 WA 16H** 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 8 miles southwest of Carlsbad, New Mexico.

12. Case No. 16382: *Application of Read & Stevens, Inc. for a horizontal spacing unit and proration unit and*

compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: (1) creating a 320-acre, more or less, horizontal spacing and proration unit covering the W/2 E/2 of Section 3, Township 20 South, Range 34 East, NMPM, Lea 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 **North Lea 3 Federal Com #2H** well, being 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 Read & Stevens as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles west of Hobbs, New Mexico.

13. Case No. 16383: *Application of Energen Resources Corporation for compulsory pooling, Lea County,*

New Mexico. Energen Resources Corporation seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2 W/2 of Section 15 and the W/2 W/2 of Section 10, Township 24 South, Range 35 East, NMPM. The unit will be dedicated to the **Brahman State Com. 15-10 Com. Well No. 452H**, a horizontal well with a surface location in the SE/4 SW/4 of Section 15, a first take point in the SW/4 SW/4 of Section 15, and a final take point in the NW/4 NW/4 of Section 10. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 12 miles northwest of Jal, New Mexico

14. Case No. 16384: *Application of Energen Resources Corporation for compulsory pooling, Lea County,*

New Mexico. Energen Resources Corporation seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2 W/2 of Section 15 and the E/2 W/2 of Section 10, Township 24 South, Range 35 East, NMPM. The unit will be dedicated to the **Brahman State Com. 15-10 Com. Well No. 453H**, a horizontal well with a surface location in the SE/4 SW/4 of Section 15, a first take point in the SE/4 SW/4 of Section 15, and a final take point in the NE/4 NW/4 of Section 10. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 12 miles northwest of Jal, New Mexico.

15. **Case No. 16385: Application of Energen Resources Corporation for compulsory pooling, Lea County, New Mexico.** Energen Resources Corporation seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2 W/2 of Section 15 and the E/2 W/2 of Section 10, Township 24 South, Range 35 East, NMPM. The unit will be dedicated to the **Brahman State Com. 15-10 Com. Well No. 602H**, a horizontal well with a surface location in the SE/4 SW/4 of Section 15, a first take point in the SE/4 SW/4 of Section 15, and a final take point in the NE/4 NW/4 of Section 10. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 12 miles northwest of Jal, New Mexico.

16. **Case No. 16386: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the W/2 NE/4 of Section 21 and the W/2 E/2 of Section 16, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the **Creedence 21/16 B3GB State Com. Well No. 1H**, a horizontal well a first take point in the SW/4 NE/4 of Section 21 and a last take point in the NW/4 NE/4 of Section 16. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 1 mile west of Malaga, New Mexico.

17. **Case No. 16387: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2 NE/4 of Section 21 and the E/2 E/2 of Section 16, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the **Creedence 21/16 B3HA State Com. Well No. 1H**, a horizontal well a first take point in the SE/4 NE/4 of Section 21 and a last take point in the NE/4 NE/4 of Section 16. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 1 mile west of Malaga, New Mexico.

18. **Case No. 16388: 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 a horizontal spacing unit comprised of the NE/4 of Section 21 and the E/2 of Section 16, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the **Creedence 21/16 W0GB State Com. Well No. 3H, the Creedence W2GB State Com. Well No. 4H, the Creedence 21/16 W2HA State Com. Well No. 5H, the Creedence 21/16 W2GB State Com. Well No. 6H, and the Creedence 21/16 W2GB State Com. Well No. 7H**, horizontal wells with surface locations in the S/2 NE/4 of Section 21, and final take points in the N/2 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.

19. **Case No. 16389: Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2 W/2 of Section 10, Township 23 South, Range 34 East, NMPM. The unit will be dedicated to the **Ibex B3MD Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NW/4 NW/4 of adjoining Section 15, a first take point in the SW/4 SW/4 of Section 15, and a final take point in the NW/4 NW/4 of Section 10. 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 19-1/2 miles west-southwest of Eunice, New Mexico.

20. **Case No. 16390: Application of Mewbourne Oil Company for compulsory pooling, Lea County, New**

Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2 E/2 of Section 10, Township 23 South, Range 34 East, NMPM. The unit will be dedicated to the **Ibex B3OB Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NW/4 NE/4 of adjoining Section 15, a first take point in the SW/4 SE/4 of Section 10, and a final take point in the NW/4 NE/4 of Section 10. 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 19-1/2 miles west-southwest of Eunice, New Mexico.

21. Case No. 16391: Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2 E/2 of Section 4 and the W/2 NE/4 of Section 9, Township 20 South, Range 35 East, NMPM. The unit will be dedicated to the **Sand Chute 9/4 B2GB Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SW/4 NE/4 of Section 9, and a final take point in the NW/4 NE/4 of Section 4. 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 11-1/2 miles west-southwest of Monument, New Mexico.

22. Case No. 16392: Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2 E/2 of Section 16 and the W/2 SE/4 of Section 9, Township 20 South, Range 35 East, NMPM. The unit will be dedicated to the **Sand Chute 9/16 B2JO Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SW/4 NE/4 of Section 9, a first take point in the NW/4 SE/4 of Section 9, and a final take point in the SW/4 SE/4 of Section 16. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 12 miles west-southwest of Monument, New Mexico.

23. Case No. 16393: Application of Southbound Gas Company for approval of a salt water disposal well, Roosevelt County, New Mexico. Applicant seeks an order approving disposal of produced water into the Pennsylvanian formation at depths of 6860-6883 feet subsurface in the **Powell SWD Well No. 1**, located 1980 feet from the north line and 1980 feet from the east line of Section 23, Township 2 South, Range 29 East, NMPM. The well is located approximately 18 miles northwest of Elida, New Mexico.

24. Case No. 16394: Application of Ameredev 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, if necessary, a non-standard, 320.50-acre, more or less, non-standard spacing and proration unit comprised of W/2 W/2 of Section 5 and the W/2 W/2 of Section 8, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to the proposed **Pine Straw Fed Com 25 36 08 No. 091H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 8 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 5. The completed interval for this well will remain within the standard offset required by the statewide rules. 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 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 northwest of Jal, New Mexico.

25. Case No. 16395: Application of Ameredev 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, if necessary, a non-standard, 320-acre, more or less, non-standard spacing and proration unit comprised of W/2 W/2 of Section 5 and the W/2 W/2 of Section 8, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to the proposed **Pine Straw Fed Com 25 36 08 No. 101H Well**, which will be horizontally drilled

from a surface location in the SW/4 SW/4 (Unit M) of Section 8 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 5. The completed interval for this well will remain within the standard offset required by the statewide rules. 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 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 northwest of Jal, New Mexico.

26. **Case No. 16342:** (Continued from the August 23, 2018 Examiner Hearing.)

Application of Ameredev 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, 233.69-acre, more or less, non-standard spacing and proration unit comprised of the W/2 W/2 of Section 27 and the NW/4 NW/4 and Lot 4 [W/2 NW/4] of Section 34, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the WC-025 G-08 S263620C; LWR Bone Spring (Pool Code 98150) underlying this acreage. Said non-standard unit is to be dedicated to the proposed **Amen Corner State Com 26 36 27 No. 091H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 22 to a bottom hole location in the SW/4 NW/4 (Lot 4) 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 the 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 8 miles southwest of Jal, NM.

27.. **Case No. 16362:** (Continued from the August 23, 2018 Examiner Hearing.)

Application of Ameredev 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, non-standard spacing and proration unit comprised of E/2 E/2 of Section 29 and the E/2 E/2 of Section 32, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to the proposed **Redbud State Com 25 36 32 No. 097H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 32 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 29. The completed interval for this well will remain within the standard offset required by the statewide rules. 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 Ameredev Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles southwest of Jal, NM.

28. **Case No. 16363:** (Continued from the August 23, 2018 Examiner Hearing.)

Application of Ameredev 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, non-standard spacing and proration unit comprised of E/2 E/2 of Section 29 and the E/2 E/2 of Section 32, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to the proposed **Redbud State Com 25 36 32 No. 107H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 32 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 29. The completed interval for this well will remain within the standard offset required by the statewide rules. 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 Ameredev Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles southwest of Jal, NM.

29. **Case No. 16396:** ***Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320.89-acre, more or less, non-standard spacing and proration unit comprised of the E/2 E/2 of Section 32, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, and Lot 1, SE/4 NE/4, E/2 SE/4 [E/2 E/2] of Section 5, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Bodacious 5-32 Fed Com 3BS No. 4H Well**, which will be horizontally drilled

from a surface location in the SW/4 SE/4 (Unit O) of Section 5 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 32. The completed interval for this well will remain within the standard offset required by the statewide 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 Chisholm Energy 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 Carlsbad, New Mexico.

30. Case No. 16397: Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 641.58-acre, more or less, spacing and proration unit comprised of the E/2 Section 32, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, and Lots 1 and 2, S/2 NE/4, SE/4 [E/2] of Section 5, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Bodacious 5-32 Fed Com WCA No. 6H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 5 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 32. The completed interval for this well will remain within the standard offset required by the Special Rules for the Purple Sage Wolfcamp Pool. 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 Chisholm Energy Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling. Said area is located approximately 7 miles southwest of Carlsbad, New Mexico.

31. Case No. 16398: Application Of Enduring Resources, LLC For Approval Of The Lone Mesa Unit, San Juan County, New Mexico. Applicant seeks approval of its Lone Mesa Unit consisting of approximately 5,445.18 acres of Federal, State, and Allotted Indian lands situated in all or parts of the Sections 19, 28-33, Township 22 North, Range 8 West, and Sections 25 and 36, Township 22 North, Range 9 West, NMPM, San Juan County, New Mexico. The unitized interval includes all depths. The subject acreage is located approximately 8 miles south of Nageezi, New Mexico.

32. Case No. 16252: Amended Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico and (2) pooling all uncommitted mineral interests in the Bone Spring formation from 11,915 feet to the base of the Bone Spring. Said non-standard unit is to be dedicated to applicant's proposed **Charles Ling Fed Com No. 131H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 11. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northwest of Jal, NM.

33. Case No. 16253: Amended Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico and (2) pooling all uncommitted mineral interests in the Bone Spring formation from 11,915 feet to the base of the Bone Spring. Said non-standard unit is to be dedicated to applicant's proposed **Charles Ling Fed Com No. 132H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 11. The completed interval for this well will remain within the standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northwest of Jal, NM.

34. Case No. 16254: Amended Application of Matador Production Company for a non-standard spacing and

proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico and (2) pooling all uncommitted mineral interests in the Bone Spring formation from 11,915 feet to the base of the Bone Spring. Said non-standard unit is to be dedicated to applicant's proposed **Charles Ling Fed Com No. 133H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) to a standard bottom hole location in the SW/4 SE/4 (Unit O) of Section 11. The completed interval for this well will remain within the standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northwest of Jal, NM.

35. Case No. 16255: Amended Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico and (2) pooling all uncommitted mineral interests in the Bone Spring formation from 11,915 feet to the base of the Bone Spring. Said non-standard unit is to be dedicated to applicant's proposed **Charles Ling Fed Com No. 134H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) to a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 11. The completed interval for this well will remain within the standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northwest of Jal, NM.

36. Case No. 16399: Application of RKI Exploration and Production, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in the Wolfcamp formation (Purple Sage Wolfcamp Gas Pool (98220)) in the 320-acre, more or less, spacing and proration unit comprised of the S/2 of Section 10, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico. Said unit is to be dedicated to the applicant's proposed **Cass Draw 10-23-27 Fee No. 401H Well**, which will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 9 to a standard bottom hole location in in the NE/SE/4 (Unit I) of Section 10. The completed interval for this well will remain within the offset required by the Special Rules set forth in Order No. R-14262. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of RKI Exploration and Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles south of Carlsbad, New Mexico.

37. Case No. 16400: Application of RKI Exploration and Production, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in the Wolfcamp formation (Purple Sage Wolfcamp Gas Pool (98220)) in the 320-acre, more or less, spacing and proration unit comprised of the N/2 of Section 10, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico. Said unit is to be dedicated to the applicant's proposed **Johnson 10-23-27 Fee No. 401H Well**, which will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 9 to a standard bottom hole location in in the SE/4 NE/4 (Unit H) of Section 10. The completed interval for this well will remain within the offset required by the Special Rules set forth in Order No. R-14262. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of RKI Exploration and Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles south of Carlsbad, New Mexico.

38. Case No. 16401: Application of RKI Exploration and Production, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in the Wolfcamp formation (Purple Sage Wolfcamp Gas Pool (98220)) in the 319.80-acre, more or less, spacing and proration unit comprised of the N/2 of Section 4, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico. Said unit is to be dedicated to the applicant's proposed **Bindel 4 Fee No. 1H Well**, which will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) to a standard bottom hole location in in the SW/4 NW/4

(Unit E) of Section 4. The completed interval for this well will remain within the offset required by the Special Rules set forth in Order No. R-14262. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of RKI Exploration and Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles south of Carlsbad, New Mexico.

39. **Case No. 16367:** (Continued from the August 23, 2018 Examiner Hearing.)

Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico. Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 320-acre, more or less, spacing and proration unit, three wells within the same quarter section, and two wells within the same quarter-quarter section. Hilcorp further seeks approval for the proposed location of the **Davis 011** (API No. 30-045-10998) in the Mesaverde formation with a surface location in Unit O of the S/2 of Section 3, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Davis 011 from the Blanco-Mesaverde Gas Pool. Said area is located approximately 15.8 miles east of Bloomfield, NM.

40. **Case No. 16368:** (Continued from the August 23, 2018 Examiner Hearing.)

Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico. Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce four Mesaverde gas wells in the same standard 316.86-acre, more or less, spacing and proration unit and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Grenier A 004E** (API No. 30-045-24887) in the Mesaverde formation with a surface location in Unit F of the W/2 of Section 26, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Grenier A 004E from the Blanco-Mesaverde Gas Pool. Said area is located approximately 8.3 miles east of Bloomfield, NM.

41. **Case No. 16369:** (Continued from the August 23, 2018 Examiner Hearing.)

Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico. Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce three Mesaverde gas wells in the same quarter section and within the same standard 320-acre, more or less, spacing and proration unit. Hilcorp further seeks approval for the proposed location of the **Patterson B Com 001E Well** (API No. 30-045-23959) in the Mesaverde formation with a surface location in Unit M of the W/2 of Section 2, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Patterson B Com 001E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 8 miles northwest of Aztec, NM.

42. **Case No. 16370:** (Continued from the August 23, 2018 Examiner Hearing.)

Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico. Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 317.22-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Sunray F 1F** (API No. 30-045-34450) in the Mesaverde formation with a surface location in Unit I of the E/2 of Section 26, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Sunray F 1F from the Blanco-Mesaverde Gas Pool. Said area is located approximately 8.6 miles east of Bloomfield, NM.

43. **Case No. 16402:** ***Application of Hilcorp Energy Company for an Exception to the Well Density***

Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico. Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 320-acre, more or less, spacing and proration unit. Hilcorp further seeks approval for the proposed location of the **Martinez Gas Com F 1 Well** (API No. 30-045-07998) in the Mesaverde formation with a surface location in Unit L of the S/2 of Section 24, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Martinez Gas Com F 1 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 14 miles east of Bloomfield, NM.

44. Case No. 16206. (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 D.J. Simmons Company Limited Partnership, for Wells Operated in San Juan 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 D. J. Simmons, Inc., (“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).

45. Case No. 16041. (Continued from the August 9, 2018 Examiner Hearing.)

Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Ram Energy 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 Ram Energy 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)..

46. Case No. 16354. (Continued from the August 23, 2018 Examiner Hearing.)

Application of Rover Operating, LLC for statutory unitization, Eddy County, New Mexico. Applicant seeks an order statutorily unitizing all mineral interests in the Unitized Formation (the top of the Loco Hills Sand to the base of the Lovington Sand) in the proposed RP State Unit underlying 639.60 acres of state lands covering all of Section 2 of Township 17 South, Range 31 East, N.M.P.M. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 *et seq.*, will be: The necessity of unit operations; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investments, to each of the tracts in the unit area; and such other matters as may be necessary and appropriate. The unit area is centered approximately 8-1/2 miles northeast of Loco Hills, New Mexico.

47. Case No. 16355. (Continued from the August 23, 2018 Examiner Hearing.)

Application of Rover Operating, LLC for approval of a secondary recovery project, Eddy County, New Mexico. Applicant seeks approval to institute a secondary recovery project in the RP State Unit Area by the injection of water into the Unitized Formation (the top of the Loco Hills Sand to the base of the Lovington Sand) in wells located on 639.60 acres of state lands covering all or parts of Section 2, Township 17 South, Range 31 East, N.M.P.M. The unit area is centered approximately 8-1/2 miles northeast of Loco Hills, New Mexico.

48. Case No. 16344. (Continued from the August 9, 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 pooling all uncommitted mineral interests in the Bone Spring formation underlying the W/2 W/2 of Section 9, Township 23 South, Range 28 East, Eddy County, New Mexico. Applicant proposes to dedicate the above-referenced lands to a standard horizontal spacing and proration unit for the **Goonch Fed Com 9 23S 28E 2B 1H well** which will be horizontally drilled in the 2nd Bone Spring from a surface location and first take-point location in the SW/4 SW/4 of Section 9, Township 23 South, Range 28 East, to a bottom hole location in the NW/4 NW/4 of Section 9, Township 23 South, Range 28 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 2 miles North of Loving, New Mexico.

49. **Case No. 16345:** (Continued from the August 9, 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 pooling all uncommitted mineral interests in the Wolfcamp formation underlying the W/2 of Section 9, Township 23 South, Range 28 East, Eddy County, New Mexico. Applicant proposes to dedicate the above-referenced lands to a standard horizontal spacing and proration unit for two proposed initial wells: (1)) the **Goonch Fed Com 9 23S 28E WXY 1H well** which will be horizontally drilled to test the Wolfcamp XY formation from a surface location and first take-point in the SW/4 SW/4 of Section 9, Township 23 South, Range 28 East, to a bottom hole location in the NW/4 NW/4 of Section 9, Township 23 South, Range 28 East; and (2) the **Goonch Fed Com 9 23S 28E WB 1H well** which will be horizontally drilled to test the Wolfcamp B formation from a surface location and first take-point in the SW/4 SW/4 of Section 9, Township 23 South, Range 28 East, to a bottom hole location in the NW/4 NW/4 of Section 9, 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 2 miles North of Loving, New Mexico.

50. **Case No. 16346:** (Continued from the August 9, 2018 Examiner Hearing.)

Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying Lots 1 – 4 of Section 30 and Lots 1 – 4 of Section 31 (W/2W/2 of Sections 30 and 31), Township 23 South, Range 29 East, Eddy County, New Mexico. Said standard 312.39 acre horizontal spacing and proration unit is to be dedicated to the applicant's **Spud Muffin 31-30 Fed Com 331H well** to be horizontally drilled in the **Cedar Canyon; Bone Spring (Pool Code 11520)** from a surface location 270' FSL and 1275' FWL of Section 31 to a bottom hole location of 230' FNL and 990' FWL of Section 30. The completed interval for this 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 Devon Energy Production Company, L.P. as operator of the well and a 200% charge for risk involved in drilling the well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico.

51. **Case No. 16347:** (Continued from the August 9, 2018 Examiner Hearing.)

Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying the E/2 W/2 of Sections 30 and 31, Township 23 South, Range 29 East, Eddy County, New Mexico. Said standard 320-acre horizontal spacing and proration unit is to be dedicated to the applicant's **Spud Muffin 31-30 332H well** to be horizontally drilled in the **Cedar Canyon; Bone Spring (Pool Code 11520)** from a surface location 625' FSL and 2405' FWL of Section 31 to a bottom hole location of 230' FNL and 2310' FWL of Section 30. The completed interval for this 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 Devon Energy Production Company, L.P. as operator of the well and a 200% charge for risk involved in drilling the well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico.

52. **Case No. 16348:** (Continued from the August 9, 2018 Examiner Hearing.)

Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying the W/2 E/2 of Sections 30 and 31, Township 23 South, Range 29 East, Eddy County, New Mexico. Said standard 320-acre horizontal spacing and proration unit is to be dedicated to the applicant's **Spud Muffin 31-30 333H well** to be horizontally drilled in the **Cedar Canyon; Bone Spring (Pool Code 11520)** from a surface location 625' FSL and 2045' FEL of Section 31 to a bottom hole location of 230' FNL and 1650' FEL of Section 30. The completed interval for this 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 Devon Energy Production Company, L.P. as operator of the well and a 200% charge for risk involved in drilling the well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico.

53. **Case No. 16349:** (Continued from the August 9, 2018 Examiner Hearing.)

Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying the E/2 E/2 of Sections 30 and 31, Township 23 South, Range 29 East, Eddy County, New Mexico. Said standard 320-acre horizontal spacing and proration unit is to be dedicated to the applicant's **Spud Muffin 31-30 334H** to be horizontally drilled in the **Cedar Canyon; Bone Spring (Pool Code 11520)** from a surface location 485' FSL and 185' FEL of Section 31 to a bottom hole location of 230' FNL and 330' FEL of Section 30. The completed interval for this 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 Devon Energy Production Company, L.P. as operator of the well and a 200% charge for risk involved in drilling the well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico

54. **Case No. 16360:** (Continued from the August 23, 2018 Examiner Hearing.)

Application of Caza Petroleum, LLC for compulsory pooling, Eddy County, New Mexico. Caza Petroleum, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying the N/2 of Section 22 and the N/2 of Section 21, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico, comprising a 640-acre horizontal spacing unit in the Wolfcamp formation. The unit will be dedicated to applicant's **Forehand Ranch 22-21 State Well No. 2H**, to be horizontally drilled from a surface location in the SE/4 NE/4 of Section 22 to a last take point in the SW/4 NW/4 of Section 21. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Caza Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling the well. The unit is located approximately 6-1/2 miles north-northwest of Black River Village, New Mexico.

55. **Case No. 16284:** (Continued from the August 23, 2018 Examiner Hearing.)

Amended Application of Novo Oil & Gas Northern Delaware, LLC, a wholly owned subsidiary 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 pooling all uncommitted mineral interests in the Bone Spring formation underlying Lot 1 (NE/4 NE/4), SE/4 NE/4 and E/2 SE/4 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. This 160.36 acre standard horizontal spacing and proration unit is to be dedicated to the applicant's **Rana Salada Fed Com 5 23S 29E 2B #1H well** which will be horizontally drilled from a surface location in the NE/4 NE/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4 SE/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.

56. **Case No. 16214:** (Continued from the August 9, 2018 Examiner Hearing.)

Amended Application of Marathon Oil Permian LLC for the creation 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 480-acre, more or less, spacing and proration unit in the Bone Spring formation limited in depth from 7,300' to 9,560', comprised of the E/2 of Section 36 and the 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 spacing unit. This proposed spacing 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 11.5 miles south of Malaga, New Mexico.

57. **Case No. 16142 (reopened)**: (Continued from the August 23, 2018 Examiner Hearing.)

Application of Apache Corporation to Re-Open Case No. 16142 and Modify Order No. R-14765 to allow for drilling of a subsequent well and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division modifying Order No. R-14765 to allow for the drilling of a subsequent well in the unit in the Bone Spring formation, comprised of the N/2 S/2 of Section 21, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the unit. The **Palmillo 21 State Com #213H well** is 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 Apache as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northeast of Carlsbad, New Mexico.

58. **Case No. 16143 (reopened)**: (Continued from the August 23, 2018 Examiner Hearing.)

Application of Apache Corporation to Re-Open Case No. 16143 and Modify Order No. R-14766 to allow for drilling of a subsequent well and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division modifying Order No. R-14766 to allow for the drilling of a subsequent well in the unit in the Bone Spring formation, comprised of the N/2 N/2 of Section 26, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the well. The **Palmillo 26 State Com #214H well** is 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 Apache as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northeast of Carlsbad, New Mexico.

59. **Case No. 16231**: (Continued from the August 9, 2018 Examiner Hearing)

Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 9, Township 23 South, Range 28 East, NMPM (Purple Sage-Wolfcamp Gas Pool), to form a standard 318.94-acre gas spacing and proration unit. The unit will be dedicated to the **Jack Sleeper 09-23S-28E RB Well No. 201H**, a horizontal well with a surface location in the SW/4 SW/4, and a bottomhole location in the NW/4 NW/4, of Section 9. The producing interval will be unorthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Matador Production Company 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 north of Loving, New Mexico.

60. **Case No. 16310**: (Continued from the August 9, 2018 Examiner Hearing.)

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.

61. **Case No. 16311**: (Continued from the August 9, 2018 Examiner Hearing.)

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

62. Case No. 16163: (Continued from the August 9, 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.

63. Case No. 16164: (Continued from the August 9, 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.

64. Case No. 16239: (Continued from the June 28, 2018 Examiner Hearing.)

Application of EOG Resources, Inc, for compulsory pooling, non-standard spacing and proration unit, Eddy County, New Mexico; Applicant seeks an order pooling all mineral interests within the Bone Spring Formation of its **Haraca 23 Fed Com #207H well**, non-standard spacing and proration unit and non-standard well location, underlying the W/2 E/2 of Section 23 and W/2 SE/4 of Section 14, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico. The well is located approximately 18 miles east of Malaga, New Mexico.

65. Case No. 16240: (Continued from the June 28, 2018 Examiner Hearing.)

Application of EOG Resources, Inc, for compulsory pooling, non-standard spacing and proration unit, Eddy County, New Mexico; Applicant seeks an order pooling all mineral interests within the Bone Spring Formation of its **Haraca 23 Fed Com #209H well**, non-standard spacing and proration unit and non-standard well location, underlying the W/2 E/2 of Section 23 and W/2 SE/4 of Section 14, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico. The well is located approximately 18 miles east of Malaga, New Mexico.

66. Case No. 16241: (Continued from the June 28, 2018 Examiner Hearing.)

Application of EOG Resources, Inc, for compulsory pooling, non-standard spacing and proration unit, Eddy County, New Mexico; Applicant seeks an order pooling all mineral interests within the Bone Spring Formation of its **Haraca 23 Fed Com #603H well**, non-standard spacing and proration unit and non-standard well location, underlying the W/2 E/2 of Section 23 and W/2 SE/4 of Section 14, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico. The well is located approximately 18 miles east of Malaga, New Mexico.

67. Case No. 16242: (Continued from the June 28, 2018 Examiner Hearing.)

Application of EOG Resources, Inc, for compulsory pooling, non-standard spacing and proration unit, Eddy County, New Mexico; Applicant seeks an order pooling all mineral interests within the Bone Spring Formation of its **Haraca 23 Fed Com #615H well**, non-standard spacing and proration unit and non-standard well location, underlying the W/2 E/2 of Section 23 and W/2 SE/4 of Section 14, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico. The well is located approximately 18 miles east of Malaga, New Mexico.

68. Case No. 16243: (Continued from the June 28, 2018 Examiner Hearing.)

Application of EOG Resources, Inc, for compulsory pooling, non-standard spacing and proration unit, Eddy County, New Mexico; Applicant seeks an order pooling all mineral interests within the WolfCamp Formation of its **Haraca 23 Fed Com #715H well**, non-standard spacing and proration unit and non-standard well location, underlying the W/2 E/2 of Section 23 and W/2 SE/4 of Section 14, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico. The well is located approximately 18 miles east of Malaga, New Mexico.