

**DOCKET: EXAMINER HEARING – THURSDAY – OCTOBER 4, 2018**

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

The next Examiner Dockets are tentatively set for October 18, 2018 and November 1, 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 16020 - No. 59	Case 16321 - No. 65	Case 16431 - No. 6
Case 16041 - No. 24	Case 16322 - No. 66	Case 16432 - No. 7
Case 16050 - No. 41	Case 16323 - No. 67	Case 16433 - No. 8
Case 16051 - No. 42	Case 16344 - No. 25	Case 16434 - No. 10
Case 16117 - No. 44	Case 16345 - No. 26	Case 16435 - No. 11
Case 16166 - No. 35	Case 16346 - No. 63	Case 16436 - No. 13
Case 16167 - No. 36	Case 16349 - No. 64	Case 16437 - No. 14
Case 16168 - No. 37	Case 16354 - No. 73	Case 16438 - No. 15
Case 16183 - No. 60	Case 16355 - No. 74	Case 16439 - No. 16
Case 16184 - No. 61	Case 16381 - No. 40	Case 16440 - No. 17
Case 16188 - No. 45	Case 16382 - No. 32	Case 16441 - No. 18
Case 16189 - No. 46	Case 16383 - No. 68	Case 16442 - No. 19
Case 16190 - No. 47	Case 16384 - No. 69	Case 16443 - No. 20
Case 16191 - No. 48	Case 16385 - No. 70	Case 16444 - No. 21
Case 16192 - No. 49	Case 16392 - No. 58	Case 16445 - No. 22
	Case 16404 - No. 1	
Case 16206 - No. 23	Case 16405 - No. 12	
Case 16213 - No. 43	Case 16409 - No. 52	
Case 16214 - No. 33	Case 16410 - No. 53	
Case 16221 - No. 9	Case 16411 - No. 54	
Case 16231 - No. 34	Case 16412 - No. 55	
Case 16232 - No. 50	Case 16414 - No. 56	
Case 16233 - No. 51	Case 16415 - No. 57	
Case 16252 - No. 27	Case 16416 - No. 71	
Case 16253 - No. 28	Case 16417 - No. 72	
Case 16254 - No. 29	Case 16426 - No. 62	
Case 16255 - No. 30	Case 16427 - No. 2	
Case 16284 - No. 31	Case 16428 - No. 3	
Case 16304 - No. 38	Case 16429 - No. 4	
Case 16305 - No. 39	Case 16430 - No. 5	

*Examiner Hearing October 4, 2018*

*Docket No. 41-18*

*Page 2 of 18*

1. **Case No. 16404:** *(Continued from the September 20, 2018 Examiner Hearing.)*

***Application of Continental Resources, Inc. for Approval of the Callaway State Exploratory Unit, Lea County, New Mexico.*** Applicant seeks approval of its Callaway State Exploratory Unit, which comprises 1,640 acres, more or less, of State of New Mexico lands situated in the S/2 SW/4 and SE/4 of Section 22, all of Section 27, the S/2 of Section 28, the E/2 E/2 of Section 33, and the NW/4, SE/4 SW/4, and W/2 SW/4 of Section 34, Township 16 South, Range 36 East, N.M.P.M., in Lea County. The unitized interval includes all formations underlying the unit area. The unit is located approximately two (2) miles south of Lovington, New Mexico.

2. **Case No. 16427:** ***Application of Devon Energy Production Company LP 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 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2 E/2 of Section 6 and the E/2 E/2 of Section 7, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all mineral interests in the Wolfcamp formation (BOBCAT DRAW; UPPER WOLFCAMP [98094]) underlying the standard unit, and (2) pooling all uncommitted interests in the Wolfcamp formation (BOBCAT DRAW; UPPER WOLFCAMP [98094]). Said horizontal spacing unit is to be assigned to the proposed initial **Jayhawk 6-7 Fed Fee Com 3H Well**, to be horizontally drilled from a surface location 365' FNL and 290' FEL of Section 6 to a bottom hole location 330' FSL and 980' FEL of Section 7. This well is the "defining well" for this unit. Also to be drilled are the following infill wells: (1) the **Jayhawk 6-7 Fed Fee Com 1H Well**, to be horizontally drilled from a surface location 365' FNL and 230' FEL of Section 6 to a bottom hole location 330' FSL and 360' FEL of Section 7, and (2) the **Jayhawk 6-7 Fed Fee Com 2H Well**, to be horizontally drilled from a surface location 365' FNL and 260' FEL of Section 6 to a bottom hole location 330' FSL and 360' FEL of Section 7. The completed interval for the Jayhawk 6-7 Fed Fee Com 1H Well, Jayhawk 6-7 Fed Fee Com 2H Well, and Jayhawk 6-7 Fed Fee Com 3H Well will remain within the 330-foot setbacks as required by the Statewide rules for horizontal oil wells. The first and last take points for the Jayhawk 6-7 Fed Fee Com 3H Well, Jayhawk 6-7 Fed Fee Com 1H Well, and Jayhawk 6-7 Fed Fee Com 2H Well will remain within the 100-foot setbacks required by the Statewide rules for horizontal oil wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 20 miles southwest of Jal, New Mexico.

3. **Case No. 16428:** ***Application of Devon Energy Production Company LP 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 320-acre, more or less, horizontal spacing and proration unit comprised of the W/2 E/2 of Section 6 and the W/2 E/2 of Section 7, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all mineral interests in the Wolfcamp formation (BOBCAT DRAW; UPPER WOLFCAMP [98094]) underlying the standard unit, and (2) pooling all uncommitted interests in the Wolfcamp formation (BOBCAT DRAW; UPPER WOLFCAMP [98094]). Said horizontal spacing unit is to be assigned to the proposed initial **Jayhawk 6-7 Fed Fee Com 8H Well**, to be horizontally drilled from a surface location 615' FNL and 2,120' FEL of Section 7 to a bottom hole location 20' FNL and 2,300' FEL of Section 6. This well is the "defining well" for this unit. Also to be drilled are the following infill wells: (1) **Jayhawk 6-7 Fed Fee Com 6H Well**, to be horizontally drilled from a surface location 615' FSL and 2,060' FEL of Section 7 to a bottom hole location 20' FNL and 1,660' FEL of Section 6, and (2) the **Jayhawk 6-7 Fed Fee Com 7H Well**, to be horizontally drilled from a surface location 615' FSL and 2,090' FEL of Section 7 to a bottom hole location 20' FNL and 1,660' FEL of Section 6. The completed intervals for the Jayhawk 6-7 Fed Fee Com 6H Well, Jayhawk 6-7 Fed Fee Com 7H Well, and Jayhawk 6-7 Fed Fee Com 8H Well will remain within the 330-foot setbacks required by the Statewide rules for horizontal oil wells. The first and last take points for the Jayhawk 6-7 Fed Fee Com 6H Well, Jayhawk 6-7 Fed Fee Com 7H Well, and Jayhawk 6-7 Fed Fee Com 8H Well will remain within the 100-foot setbacks required by the Statewide rules for horizontal oil wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 20 miles southwest of Jal, New Mexico.

4. **Case No. 16429:** ***Application of Devon Energy Production Company LP 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 320-acre, more or less, horizontal spacing and proration

unit comprised of the E/2 E/2 of Section 6 and the E/2 E/2 of Section 7, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (WC-025 G-09 S263406D;LOWER BS [98038]) underlying the standard unit. Said horizontal spacing unit is to be assigned to the proposed initial **Jayhawk 6-7 Fed Fee Com 15H Well**, to be horizontally drilled from a surface location 365' FNL and 320' FEL of Section 6 to a bottom hole location 20' FSL and 980' FEL of Section 7. This well is the "defining well" for this unit. The completed interval for the Jayhawk 6-7 Fed Fee Com 15H Well will remain within the 330-foot setbacks required by the Statewide rules for horizontal oil wells. The first and last take points for the Jayhawk 6-7 Fed Fee Com 15H Well will remain within the 100-foot setbacks required by the Statewide rules for horizontal oil wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 20 miles southwest of Jal, New Mexico.

5. **Case No. 16430: Application of Tap Rock Operating, LLC for a Standard Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 640-acre, more or less, horizontal spacing and proration unit comprised of the N/2 of Section 7 and the N/2 of Section 8, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico, pooling all mineral interests in the Wolfcamp formation (Purple Sage-Wolfcamp Pool) underlying the standard unit, and (2) pooling all uncommitted interests in the Wolfcamp formation (Purple Sage-Wolfcamp Pool). Said horizontal spacing unit is to be assigned to the proposed initial **Old Chub 23S27E0807 Fed Com #201H well**, to be horizontally drilled from an approximate surface location 637' FNL and 366' FEL of Section 8 to a bottom hole location 3500' FNL and 200' FWL of Section 7. This well is the "defining well" for this unit. Also to be drilled are the following infill wells: (1) **Old Chub 23S27E0807 Fed Com #202H well**, to be horizontally drilled from an approximate surface location 1805' FNL and 360' FEL of Section 8 to a bottom hole location 1668' FNL and 200' FWL of Section 7, (2) the **Old Chub 23S27E0807 Fed Com #205H well**, to be horizontally drilled from an approximate surface location 667' FNL and 366' FEL of Section 8 to a bottom hole location 1000' FNL and 200' FWL of Section 7, and (3) the **Old Chub 23S27E0807 Fed Com #207H well**, to be horizontally drilled from an approximate surface location 1835' FNL and 360' FEL of Section 8 to a bottom hole location 2326' FNL and 200' FWL of Section 7. The completed intervals and first and last take points for these wells are within the setbacks required by the Purple Sage-Wolfcamp pool rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 4 miles South of Carlsbad, New Mexico.

6. **Case No. 16431: Application of Tap Rock Operating, LLC for a Standard Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 640-acre, more or less, horizontal spacing and proration unit comprised of the S/2 of Section 7 and the S/2 of Section 8, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico, pooling all mineral interests in the Wolfcamp formation (Purple Sage-Wolfcamp Pool) underlying the standard unit, and (2) pooling all uncommitted interests in the Wolfcamp formation (Purple Sage-Wolfcamp Pool). Said horizontal spacing unit is to be assigned to the proposed initial **Old Chub 23S27E0807 Fed Com #203H well**, to be horizontally drilled from an approximate surface location 1914' FSL and 355' FEL of Section 8 to a bottom hole location 2317' FSL and 200' FWL of Section 7. This well is the "defining well" for this unit. Also to be drilled are the following infill wells: (1) **Old Chub 23S27E0807 Fed Com #204H well**, to be horizontally drilled from an approximate surface location 1035' FSL and 325' FEL of Section 8 to a bottom hole location 994' FSL and 200' FWL of Section 7, (2) the **Old Chub 23S27E0807 Fed Com #206H well**, to be horizontally drilled from an approximate surface location 1884' FSL and 355' FEL of Section 8 to a bottom hole location 1664' FSL and 200' FWL of Section 7, and (3) the **Old Chub 23S27E0807 Fed Com #208H well**, to be horizontally drilled from an approximate surface location 1005' FSL and 325' FEL of Section 8 to a bottom hole location 341' FSL and 200' FWL of Section 7. The completed intervals and first and last take points for these wells are within the setbacks required by the Purple Sage-Wolfcamp pool rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 4 miles South of Carlsbad, New Mexico.

7. **Case No. 16432: Application of Tap Rock Resources, LLC for compulsory pooling, Eddy County, New Mexico.** Tap Rock Resources, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying

a 457.78-acre horizontal spacing unit comprised of the W/2 of Section 27 and Lots 7-10 (the W/2) of Section 34, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to (i) the **Welcome to Golden 26S29E2734 Well No. 201H**, and (ii) the **Welcome to Golden 26S29E2734 Well No. 211H**, to be drilled to depths sufficient to test the Wolfcamp formation. The wells are horizontal wells, with first take points in the NW/4 NW/4 (Unit D) of Section 27, and last take points in Lot 19 (Unit E) of Section 34. 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 Tap Rock Operating, LLC as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 3-1/2 miles east-northeast of the intersection of U.S. Highway 285 with the New Mexico-Texas border.

**8. Case No. 16433: Application of Tap Rock Resources, LLC for compulsory pooling, Eddy County, New Mexico.** Tap Rock Resources, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying a 441.71-acre horizontal spacing unit comprised of the E/2 of Section 27 and Lots 5, 6, 11, and 12 (the E/2) of Section 34, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the **Welcome to Golden 26S29E2734 Well No. 244H**, to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a first take point in the NE/4 NE/4 (Unit A) of Section 27, and a last take point in Lot 12 (Unit H) of Section 34. 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 Tap Rock Operating, LLC as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 4 miles east-northeast of the intersection of U.S. Highway 285 with the New Mexico-Texas border.

**9. Case No. 16221: Amended Application of EOG Resources, 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, if necessary, a non-standard, 320-acre spacing and proration unit comprised of the N/2 S/2 of Section 23 and the N/2 S/2 of Section 24, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico; (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage; and (3) allocating production based on surface acreage and ownership in the targeted interval. Said spacing unit is to be dedicated to applicant's proposed **Spork 24 Fed Com No. 301H Well** and **Spork 24 Fed Com No. 501H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 24 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 23. The completed intervals for these wells will commence and remain within the standard offset required by the rules. 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 EOG Resources, Inc. as operator of the wells and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles southeast of Artesia, New Mexico.

**10. Case No. 16434: Application of EOG Resources, Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre spacing and proration unit comprised of the S/2 S/2 of Section 23 and the S/2 S/2 of Section 24, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico; (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage; and (3) allocating production based on surface acreage and ownership in the target interval. Said spacing unit is to be dedicated to applicant's proposed **Spork 24 Fed Com No. 302H Well** (API No. Pending), the **Spork 24 Fed Com No. 502H**, and the **Spork 24 Fed Com No. 503H Well** (API No. Pending), which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 24 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 23. The completed intervals for these wells will commence and remain within the standard offset required by the rules. 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 EOG Resources, Inc. as operator of the wells and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles southeast of Artesia, New Mexico.

**11. Case No. 16435: 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, if necessary, a non-standard, 160-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 35, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico and (2) pooling all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to

applicant's proposed **Brad Dyer Federal No. 202H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 35. 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 Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 34 miles southeast of Carlsbad, New Mexico.

**12. Case No. 16405:** *(Continued from the September 20, 2018 Examiner Hearing.)*

***Application of Chevron U.S.A. 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, if necessary a non-standard, 640-acre spacing and proration unit comprised of the E/2 of Section 3, Township 23 South, Range 28 East, and the E/2 of Section 10, Township 23 South, Range 28 East, N.M.P.M., Eddy 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 three proposed wells: the **CB Hays 10 3 Fed Com 005 1H Well**, the proposed **CB Hays 10 3 Fed Com 005 2H Well**, and the proposed **CB Hays 10 3 Fed Com 005 3H Well**, which will be simultaneously drilled and completed. The three proposed horizontal wells will be pad drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 15 to bottom hole locations in the NW/4 NE/4 (Unit B) of Section 22 for the **CB Hays 10 3 Fed Com 005 1H Well** and in the NE/4 NE/4 (Unit A) of Section 22 for the **CB Hays 10 3 Fed Com 005 2H Well** and the **CB Hays 10 3 Fed Com 005 3H Well**. The completed interval for each well will be at a standard 330 foot offset pursuant to the Special Rules for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220). 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 Chevron U.S.A. Inc. as operator of the wells and a 200% charge for risk involved in drilling said well. Said area is located approximately 2 miles east of Loving, New Mexico.

**13. Case No. 16436:** ***Application of Chevron USA, Inc. for Approval of the Javelina Unit and Surface Commingling, Eddy County New Mexico.*** Applicant seeks approval of its Javelina Unit consisting of approximately 5,119.76 acres of state and federal lands situated in all of Sections 1, 2, 9, 10, 11, 12, 15 and 16 of Township 24 South, Range 31 East, N.M.P.M., Eddy County, New Mexico The unitized interval includes all oil and gas in any and all formations of the unitized land from the top of the Bone Spring formation defined as the stratigraphic equivalent of the top of the Bone Spring Lime, as seen at 8,400 feet beneath the surface in that certain Schlumberger Gamma Ray and Dual Laterolog/MSFL, dated November 13, 1980, in the Sotol Federal 1 (API # 30-015-23459), located in Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico, to the center of the earth. In addition, Applicant seeks approval to surface commingle production from the Bone Spring and Wolfcamp formations underlying the unit. The subject acreage is located approximately 20 miles East of Loving, New Mexico.

**14. Case No. 16437:** ***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 W/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 29H 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.

**15. Case No. 16438:** ***Amended Application of NGL Water Solutions Permian, LLC for approval of salt water disposal well in Lea County, New Mexico.*** Applicant seeks an order approving disposal into the Devonian and Silurian formations through the **Jack Tank SWD #1** well. NGL proposes to drill this well at a surface location 1,400 feet from the North line and 1,853 feet from West line of Section 5, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. The target injection interval is the Devonian formation at a depth of 16,800' – 17,809'. NGL further seeks approval of the use of 7-inch tubing inside the surface and intermediate casings and 5 ½-inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said area is located approximately 31 miles west of Jal, New Mexico.

16. **Case No. 16439:** *Amended Application of NGL Water Solutions Permian, LLC for approval of salt water disposal well in Lea County, New Mexico.* Applicant seeks an order approving disposal into the Devonian and Silurian formations through the **McCloy Central SWD #1** well. NGL proposes to drill this well at a surface location 762 feet from the North line and 383 feet from East line of Section 24, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. The target injection interval is the Devonian and Silurian formations at a depth of 17,424' – 18,533'. NGL further seeks approval of the use of 7-inch tubing inside the surface and intermediate casings and 5 ½-inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said area is located approximately 26 miles west of Jal, New Mexico.

17. **Case No. 16440:** *Amended Application of NGL Water Solutions Permian, LLC for approval of salt water disposal well in Lea County, New Mexico.* Applicant seeks an order approving disposal into the Devonian and Silurian formations through the **McCloy West SWD #1** well. NGL proposes to drill this well at a surface location 1,019 feet from the South line and 2,388 feet from the East line of Section 14, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. The target injection interval is the Devonian and Silurian formations at a depth of 17,350' – 18,451'. NGL further seeks approval of the use of 7-inch tubing inside the surface and intermediate casings and 5 ½-inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said area is located approximately 28 miles west of Jal, New Mexico.

18. **Case No. 16441:** *Amended Application of NGL Water Solutions Permian, LLC for approval of salt water disposal well in Lea County, New Mexico.* Applicant seeks an order approving disposal into the Devonian and Silurian formations through the **Minuteman SWD #1** well. NGL proposes to drill this well at a surface location 659 feet from the South line and 449 feet from West line of Section 14, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico. The target injection interval is the Devonian and Silurian formations at a depth of 16,691' – 18,326'. NGL further seeks approval of the use of 7-inch tubing inside the surface and intermediate casings and 5 ½-inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said area is located approximately 22 miles west of Jal, New Mexico.

19. **Case No. 16442:** *Amended Application of NGL Water Solutions Permian, LLC for approval of salt water disposal well in Eddy County, New Mexico.* Applicant seeks an order approving disposal into the Devonian and Silurian formations through the **Red Road SWD #1** well. NGL proposes to drill this well at a surface location 510 feet from the South line and 1,167 feet from East line of Section 26, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. The target injection interval is the Devonian formations at a depth of 16,450' – 17,458'. NGL further seeks approval of the use of 7 -nch tubing inside the surface and intermediate casings and 5 ½-inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said area is located approximately 34 miles west of Jal, New Mexico.

20. **Case No. 16443:** *Amended Application of NGL Water Solutions Permian, LLC for approval of salt water disposal well in Lea County, New Mexico.* Applicant seeks an order approving disposal into the Devonian and Silurian formations through the **Sidewinder SWD #1** well. NGL proposes to drill this well at a surface location 244 feet from the South line and 1581 feet from East line of Section 10, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. The target injection interval is the Devonian and Silurian formations at a depth of 17,157' – 19,067'. NGL further seeks approval of the use of 7-inch tubing inside the surface and intermediate casings and 5 ½-inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said area is located approximately 22 miles west of Jal, New Mexico.

21. **Case No. 16444:** *Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Tempo Energy, Inc., 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 Tempo Energy, Inc. ("Operator") is out of compliance with 19.15.5.9(A)(4), 19.15.8, 19.15.25.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4), 19.15.8, 19.15.25.8 NMAC and NMSA 1978, § 70-2-14 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).

**22. Case No. 16445: *Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Coulthurst Management and Investments, Inc., for Wells Operated in Sandoval 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 Coulthurst Management and Investments, 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).

**23. Case No. 16206. (Continued from the September 6, 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).

**24. Case No. 16041: (Continued from the September 6, 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)..

**25. Case No. 16344: (Continued from the September 6, 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 2<sup>nd</sup> 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.

26. **Case No. 16345:** (Continued from the September 6, 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.

27. **Case No. 16252:** (Continued from the September 6, 2018 Examiner Hearing.)

***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.

28.. **Case No. 16253:** (Continued from the September 6, 2018 Examiner Hearing.)

***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.

29.. **Case No. 16254:** (Continued from the September 6, 2018 Examiner Hearing.)

***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.

30. Case No. 16255: (Continued from the September 6, 2018 Examiner Hearing.)

**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.

31. Case No. 16284: (Continued from the September 6, 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.

32. Case No. 16382: (Continued from the September 6, 2018 Examiner Hearing.)

**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.

33. Case No. 16214: (Continued from the September 6, 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.

34. Case No. 16231: (Continued from the September 6, 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.

35. Case No. 16166: (Continued from the August 23, 2018 Examiner Hearing.)

**Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico;** Applicant seeks an order pooling all mineral interests within the vertical limits of the Paduca Delaware pool (Pool Code 49460), dedicated to its **Paduca 16 State 201H well**, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the W/2 W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. The well is located approximately 28 miles due west of Jal, New Mexico.

36. Case No. 16167: (Continued from the August 23, 2018 Examiner Hearing.)

**Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico;** Applicant proposes an order pooling all mineral interests within the vertical limits of the Paduca Delaware pool (Pool Code 49460), dedicated to its **Paduca 16 State 202H well**, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the W/2 E/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. The well is located approximately 28 miles due west of Jal, New Mexico.

37. Case No. 16168: (Continued from the August 23, 2018 Examiner Hearing.)

**Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico;** Applicant seeks an order pooling all mineral interests within the vertical limits of the Paduca Delaware pool (Pool Code 49460), dedicated to its **Paduca 16 State 203H well**, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the E/2 W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. The well is located approximately 28 miles due west of Jal, New Mexico.

38. Case No. 16304: (Continued from the September 6, 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.

39. Case No. 16305: (Continued from the September 6, 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.

40. Case No. 16381: (Continued from the September 6, 2018 Examiner Hearing.)

**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.

**41. Case No. 16050:** *(Continued from the August 23, 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 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the S/2 S/2 of Section 5, Township 26 South, Range 29 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 **Hambone Federal 26-29-5 TB 2H and Hambone Federal 26-29-5 SB 6H** 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 11.5 miles south of Malaga, New Mexico.

**42. Case No. 16051:** *(Continued from the August 23, 2018 Examiner Hearing.)*

**Amended Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) pooling all mineral interests in the Wolfcamp formation underlying the standard 320-acre, more or less, spacing and proration unit comprised of the S/2 of Section 5, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. This proposed standard spacing and proration unit will be the project area for the **Hambone Federal 26-29-5 WB 3H, Hambone Federal 26-29-5 WD 4H wells, Hambone Federal 26-29-5 WXY 5H, Hambone Federal 26-29-5 WB 7H, Hambone Federal 26-29-5 WD 8H, and Hambone Federal 26-29-5 WD 11H** 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 11.5 miles south of Malaga, New Mexico.

**43. Case No. 16213:** *(Continued from the August 23, 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 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the N/2 S/2 of Section 5, Township 26 South, Range 29 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 **Hambone Federal 26-29-5 TB 9H and Hambone Federal 26-29-5 SB 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 well, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 11.5 miles south of Malaga, New Mexico.

**44. Case No. 16117:** *(Continued from the August 23, 2018 Examiner Hearing.)*

**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 640-acre, more or less, spacing and proration unit comprised of the W/2 of Section 5 and the W/2 of Section 8, Township 26 South, Range 29 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 **Hambone Federal Com 25H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 8 to a standard bottom hole location in the NE/4 NW/4 (Lot 3) of Section 5. The completed interval for this

well will remain within the 330-foot setback as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles southeast of Malaga, New Mexico.

45. Case No. 16188: (Continued from the August 23, 2018 Examiner Hearing.)

**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 640-acre, more or less, spacing and proration unit comprised of the E/2 of Section 5 and the E/2 of Section 8, Township 26 South, Range 29 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 **Hambone Federal Com 26H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 8 to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 5. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles southeast of Malaga, New Mexico.

46. Case No. 16189: (Continued from the August 23, 2018 Examiner Hearing.)

**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 5 and the E/2 W/2 of Section 8, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Sand formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Hambone Federal Com 27H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 8 to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 5. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles southeast of Malaga, New Mexico.

47. Case No. 16190: (Continued from the August 23, 2018 Examiner Hearing.)

**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 5 and the W/2 W/2 of Section 8, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Sand formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Hambone Federal Com 28H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 8 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 5. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles southeast of Malaga, New Mexico.

48. Case No. 16191: (Continued from the August 23, 2018 Examiner Hearing.)

**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 5 and the W/2 E/2 of Section 8, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Sand formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Hambone Federal Com 29H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 8 to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 5. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be

considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles southeast of Malaga, New Mexico.

49. Case No. 16192: (Continued from the August 23, 2018 Examiner Hearing.)

**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 5 and the E/2 E/2 of Section 8, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Sand formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Hambone Federal Com 30H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 8 to a standard bottom hole location in the NE/4 NE/4 (Unit A) of Section 5. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles southeast of Malaga, New Mexico.

50. Case No. 16232: (Continued from the September 20, 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 botomhole 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

51. Case No. 16233: (Continued from the September 20, 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.

52. Case No. 16409: (Continued from the September 20, 2018 Examiner Hearing.)

**Application of Ascent Energy, LLC for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a 320-acre horizontal spacing unit in the Bone Spring formation comprised of the E/2 E/2 of Section 28 and the E/2 E/2 of Section 33, Township 20 South, Range 33 East, NMPM. The unit will be dedicated to the **Gavilon Fed. Com. Well No. 501H, Gavilon Fed. Com. Well No.**

**502H**, and **Gavilon Fed. Com. Well No. 601H**, horizontal Bone Spring wells with first take points in the SE/4 SE/4 of Section 33, and last take points in the NE/4 NE/4 of Section 28. 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 3-1/2 miles east-southeast of Halfway, New Mexico.

53. **Case No. 16410:** (Continued from the September 20, 2018 Examiner Hearing.)

**Application of Ascent Energy, LLC for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying a 320-acre horizontal spacing unit in the Wolfcamp formation comprised of the E/2 E/2 of Section 28 and the E/2 E/2 of Section 33, Township 20 South, Range 33 East, NMPM. The unit will be dedicated to the **Gavilon Fed. Com. Well No. 701H** and the **Gavilon Fed. Com. Well No. 702H**, horizontal Wolfcamp wells with first take points in the SE/4 SE/4 of Section 33, and last take points in the NE/4 NE/4 of Section 28. 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 3-1/2 miles east-southeast of Halfway, New Mexico.

54. **Case No. 16411:** (Continued from the September 20, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the S/2 N/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Atreides Federal 24-27-8 TB 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 Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately Nine (9) miles West of Malaga, New Mexico.

55. **Case No. 16412:** (Continued from the September 20, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the N/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Atreides Federal 24-27-8 WXY 2H**, **Atreides Federal 24-27-8 WA 5H**, and the **Atreides Federal 24-27-8 WXY 8H** 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, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately Nine (9) miles West of Malaga, New Mexico

56. **Case No. 16414:** (Continued from the September 20, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the N/2 of Section 19, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Duda Bides Federal 22-28-19 WXY 5H**, **Duda Bides Federal 22-28-19 WA 6H**, and **Duda Bides Federal 22-28-19 WXY 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, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately six (6) miles East South East of Carlsbad, New Mexico.

57. **Case No. 16415:** (Continued from the September 20, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico.

This spacing unit will be dedicated to the **Fremen Federal 24-27-7 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, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately Nine (9) miles West of Malaga, New Mexico.

58. **Case No. 16392:** (Continued from the September 20, 2018 Examiner Hearing.)

***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.

59. **Case No. 16020 (re-opened):** (Continued from the September 20, 2018 Examiner Hearing.)

***Application of Mewbourne Oil Company to re-open Case No. 16020 for compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order pooling all mineral interests from the top of the Second Bone Spring Sand to the base of the Bone Spring formation in a horizontal spacing unit comprised of the N/2 N/2 of Section 24 and the N/2 N/2 of Section 23, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the **Virgo 24/23 B2AD Fed. Com. Well No. 1H**, a horizontal well with a first take point in the NE/4 NE/4 of Section 24, and a last take point in the NW/4 NW/4 of Section 23. 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 6 miles south-southeast of Loco Hills, New Mexico

60. **Case No. 16183 (amended and re-advertised)** (Continued from the September 20, 2018 Examiner Hearing.)

***Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order pooling all mineral interests from the top of the Second Bone Spring Sand to the base of the Bone Spring formation in a horizontal spacing unit comprised of the S/2 N/2 of Section 24 and the S/2 N/2 of Section 23, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the **Virgo 24/23 B2HE Fed. Com. Well No. 1H**, a horizontal well with a first take point in the SE/4 NE/4 of Section 24, and a last take point in the SW/4 NW/4 of Section 23. 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 6-1/2 miles south-southeast of Loco Hills, New Mexico.

61. **Case No. 16184 (amended and re-advertised):** (Continued from the September 20, 2018 Examiner Hearing.)

***Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order pooling all mineral interests from the top of the Second Bone Spring Sand to the base of the Bone Spring formation in a horizontal spacing unit comprised of the N/2 S/2 of Section 24 and the N/2 S/2 of Section 23, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the **Virgo 24/23 B2IL Fed. Com. Well No. 1H**, a horizontal well with a first take point in the NE/4 SE/4 of Section 24, and a last take point in the NW/4 SW/4 of Section 23. 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 6-1/2 miles south-southeast of Loco Hills, New Mexico.

62. **Case No. 16426:** (Continued from the September 20, 2018 Examiner Hearing.)

***Application of NGL Water Solutions Permian, LLC to Amend Administrative Orders SWD-1724 and SWD 1711 for Salt Water Disposal Wells in Eddy County, New Mexico.*** Applicant seeks an order amending the size of tubing approved by the Division in administrative orders SWD-1724 and SWD-1711 for its Striker 1 SWD No. 1 and Alpha

SWD Well No. 2 salt water disposal wells. Applicant further seeks approval of a maximum injection rate of 50,000 bbls per day, and the approval of a maximum surface pressure of 2,750 psi for the **Striker 1 SWD No. 1** well, and 2,655 psi for the **Alpha SWD Well No. 2** well. The subject wells are located in Sections 15 and 18, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Said area is located approximately 3 miles north of Loving, New Mexico.

**63. Case No. 16346:** (Continued from the September 20, 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.

**64. Case No. 16349:** (Continued from the September 20, 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

**65. Case No. 16321:** (Continued from the September 20, 2018 Examiner Hearing.)  
**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.

**66. Case No. 16322:** (Continued from the September 20, 2018 Examiner Hearing.)  
**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.

67. Case No. 16323: (Continued from the September 20, 2018 Examiner Hearing.)

**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.

68. Case No. 16383: (Continued from the September 20, 2018 Examiner Hearing.)

**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

69. Case No. 16384: (Continued from the September 20, 2018 Examiner Hearing.)

**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.

70. Case No. 16385: (Continued from the September 20, 2018 Examiner Hearing.)

**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.

71. Case No. 16416: (Continued from the September 20, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the S/2 S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Fremen Federal 24-27-7 TB 2H** 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, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately Nine (9)

miles West of Malaga, New Mexico.

**72. Case No. 16417:** *(Continued from the September 20, 2018 Examiner Hearing.)*

***Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Fremen Federal 24-27-7 WA 3H, Fremen Federal 24-27-7 WXY 5H, and the Fremen Federal 24-27-7 WA 9H** 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, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately Nine (9) miles West of Malaga, New Mexico.

**73. Case No. 16354:** *(Continued from the September 20, 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.

**74. Case No. 16355:** *(Continued from the September 20, 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.