

**DOCKET: EXAMINER HEARING - THURSDAY-FEBRUARY 8, 2018**

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

Docket Nos.6-18 and 7-18 are tentatively set for February 22, 2018 and March 8, 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 15851 - No. 21*  
*Case 15852 - No. 22*  
*Case 15889 - No. 4*  
*Case 15890 - No. 5*  
*Case 15913 - No. 17*  
*Case 15914 - No. 18*  
*Case 15926 - No. 45*  
*Case 15927 - No. 7*  
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*Case 15971 - No. 25*  
*Case 15972 - No. 26*  
*Case 15973 - No. 30*  
*Case 15974 - No. 31*  
*Case 15975 - No. 32*  
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*Case 15977 - No. 34*  
*Case 15978 - No. 35*  
*Case 15979 - No. 36*  
*Case 15980 - No. 37*  
*Case 15981 - No. 38*  
*Case 15982 - No. 39*

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1. ***Case No. 15958: 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 (1) creating a non-standard 480-acre, more or less, spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Section 6, Township 25 South, Range 29 East, and SW/4 of Section 31, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Sweet Tea State, 24-29-31 WA 5H well**, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 5 miles southeast of Malaga, New Mexico.

2. ***Case No. 15960: 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 (1) creating a non-standard 240-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the W/2 W/2 of Section 6, Township 25 South, Range 29 East, and W/2 SW/4 of Section 31, Township 24 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 **Sweet Tea State, 24-29-31 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 wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 5 miles southeast of Malaga, New Mexico.

3. ***Case No. 15961: 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 compulsory pooling all mineral interests in the Wolfcamp formation underlying the 320-acre spacing unit comprised of the W/2 of Section 26, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. This proposed spacing and proration unit will be the project area for the **Jazz Flute Fee 23 28 26 WA 5H**, 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 wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 1.5 miles east of Loving, New Mexico.

4. ***Case No. 15889: (Continued from the December 21, 2017 Examiner Hearing.)***  
***Application of Matador Production Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 E/2 of Section 17, Township 25 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Leslie Fed. Com. Well No. 214H**, a horizontal well with a surface location in the SE/4 SE/4, and a terminus in the NE/4 NE/4, of Section 17. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 11 miles west-northwest of Jal, New Mexico.

5. ***Case No. 15890: (Continued from the December 21, 2017 Examiner Hearing.)***  
***Application of Matador Production Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 E/2 of Section 17, Township 25 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Leslie Fed. Com. Well No. 217H**, a horizontal well with a surface location in the SW/4 SE/4, and a terminus in the NW/4 NE/4, of Section 17. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 11 miles west-northwest of Jal, New Mexico.

6. ***Case No. 15962: Application of Caza Petroleum, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Caza Petroleum, LLC seeks an order approving a non-standard 240-acre spacing and proration unit in the Bone Spring formation comprised of the W/2 SW/4 of Section 8 and the W/2 W/2 of Section 17, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The non-standard unit will be dedicated to applicant's **Desert Rose 17-8 Fed. Com. Well No. 1H**, to be horizontally drilled from a surface location in the SW/4 SW/4 of Section 17 to a bottom hole location in the NW/4 SW/4 of Section 8. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Caza Operating,

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LLC as operator of the well, and a 200% charge for risk involved in drilling the well. The unit is located approximately 14 miles west-southwest of Monument, New Mexico.

7. *Case No. 15927:* (Continued from the January 25, 2018 Examiner Hearing.)

*Application of Matador Production Company for approval of a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order approving a 152.67-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 1, N/2 NE/4, and NE/4 NW/4 (the N/2 N/2) of Section 19, Township 19 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Marbob 19 State Well No. 121H**, a horizontal well with a surface location in Lot 1, and a terminus in the NE/4 NE/4, of Section 19. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 14 miles south-southwest of Loco Hills, New Mexico.

8. *Case No. 15928:* (Continued from the January 26, 2018 Examiner Hearing.)

*Application of Matador Production Company for approval of a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order approving a 152.61-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 2, S/2 NE/4, and SE/4 NW/4 (the S/2 N/2) of Section 19, Township 19 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Marbob 19 State Well No. 122H**, a horizontal well with a surface location in Lot 2, and a terminus in the SE/4 NE/4, of Section 19. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 14 miles south-southwest of Loco Hills, New Mexico.

9.. *Case No. 15947:* (Continued from the January 25, 2018 Examiner Hearing.)

*Application of Matador Production Company for approval of a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order approving a 154.21-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 6, N/2 SE/4, and NE/4 SW/4 (the N/2 S/2) of Section 6, Township 19 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **SST 6 State Well No. 123H**, a horizontal well with a surface location in the NE/4 SE/4, and a terminus in Lot 6, of Section 6. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 15 miles east-northeast of Lakewood, New Mexico.

10.. *Case No. 15948:* (Continued from the January 25, 2018 Examiner Hearing.)

*Application of Matador Production Company for approval of a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order approving a 154.54-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 7, S/2 SE/4, and SE/4 SW/4 (the S/2 S/2) of Section 6, Township 19 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **SST 6 State Well No. 124H**, a horizontal well with a surface location in the SE/4 SE/4, and a terminus in Lot 7, of Section 6. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 15 miles east-northeast of Lakewood, New Mexico.

11. *Case No. 15929:* (Continued from the January 25, 2018 Examiner Hearing.)

*Application of Matador Production Company for approval of a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order approving a 152.49-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 4, S/2 SE/4, and SE/4 SW/4 (the S/2 S/2) of Section 19, Township 19 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Marbob 19 State Well No. 124H**, a horizontal well with a surface location in Lot 4, and a terminus in the SE/4 SE/4, of Section 19. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 14-1/2 miles south-southwest of Loco Hills, New Mexico.

12. ***Case No. 15963: Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 640-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 of Section 11 and the E/2 of Section 14, Township 26 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the **Delaware Ranch 11/14 W2AP Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NE/4 NE/4 of Section 11, and a terminus in the SE/4 SE/4 of Section 14. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3-1/2 miles north-northwest of the intersection of U.S. Highway 285 with the New Mexico/Texas state line.

13. ***Case No. 15964: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 11, Township 26 South, Range 28 East, NMPM. The unit will be dedicated to the **Delaware Ranch 11 W2NC Fee Well No. 1H** and the **Delaware Ranch 11 W1NC Fee Well No. 2H**, horizontal wells with surface locations in the SE/4 SW/4, and bottomhole locations in the NE/4 NW/4, of Section 11. 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 4 miles north-northwest of the intersection of U.S. Highway 285 with the New Mexico/Texas state line.

14. ***Case No. 15965: Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 640-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the N/2 of Section 23 and the N/2 of Section 24, Township 25 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the **Oxbow 23/24 W1DA Fed. Com. Well No. 1H** and the **Oxbow 23/24 W2DA Fed. Com. Well No. 2H**, horizontal wells with surface locations in the NW/4 NW/4 of Section 23, and bottomhole locations in the NE/4 NE/4 of Section 24. 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 10-1/2 miles southeast of Malaga, New Mexico.

15. ***Case No. 15966: Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 640-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the S/2 of Section 23 and the S/2 of Section 24, Township 25 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the **Oxbow 23/24 W2LI Fed. Com. Well No. 1H** and the **Oxbow 23/24 W1LI Fed. Com. Well No. 2H**, horizontal wells with surface locations in the NW/4 SW/4 of Section 23, and bottomhole locations in the NE/4 SE/4 of Section 24. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 11 miles southeast of Malaga, New Mexico.

16. ***Case No. 15967: Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 640-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the N/2 of Section 25 and the N/2 of Section 26, Township 25 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the **Oxbow 26/25 W2DA Fed. Com. Well No. 1H** and the **Oxbow 26/25 W1DA Fed. Com. Well No. 2H**, horizontal wells with surface locations in the NW/4 NW/4 of Section 26, and bottomhole locations in the NE/4 NE/4 of Section 25. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 11 miles southeast of Malaga, New Mexico.

17. ***Case No. 15913: (Continued from the January 11, 2018 Examiner Hearing.) (This case will be continued to the February 27, 2018 Special Examiner Hearing.)***

***Application of Mewbourne Oil Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 478.13-acre non-standard spacing and proration unit in the Wolfcamp formation underlying Lots 3-7, SE/4 NW/4, and E/2 SW/4 (the W/2) of Section 6 and Lots 1, 2, and E/2 NW/4 (the NW/4) of Section 7, Township 24 South, Range 29 East, NMPM, and pooling all mineral interests in the Wolfcamp formation

underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Pecos Valley W2ED Fed. Com. Well No. 1H**, a horizontal well with a surface location in Lot 3 of Section 7, and a terminus in Lot 4 of Section 6. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3 miles northeast of Malaga, New Mexico.

**18. Case No. 15914:** (Continued from the January 11, 2018 Examiner Hearing.) (This case will be continued to the February 27, 2018 Special Examiner Hearing.)

**Application of Mewbourne Oil Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 479.88-acre non-standard spacing and proration unit in the Wolfcamp formation underlying Lots 1, 2, S/2 NE/4, and SE/4 (the E/2) of Section 6 and the NE/4 of Section 7, Township 24 South, Range 29 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Pecos Valley W2HA Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SE/4NE/4 of Section 7, and a terminus in Lot 1 of Section 6. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3-1/2 miles northeast of Malaga, New Mexico.

**19. Case No. 15968:** (This case will be continued to the February 27, 2018 Special Examiner Hearing.)

**Application of RSC Resources, LP for Compulsory Pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all interests in the Wolfcamp formation underlying Lots 3-7, SE/4 NW/4, and E/2 SW/4 (W/2 equivalent) of Section 6, Township 24 South, Range 29 East, NMPM in Eddy County, New Mexico. Applicant seeks to establish a standard 318.77-acre  $\pm$  spacing and proration unit (project area) in the Purple Sage Wolfcamp Gas Pool (98220) in the W/2 of Section 6. The unit will be dedicated to six wells to be drilled by Applicant as follows:

(1) the **Harroun 6 Federal Com 1H** at a surface hole location of 15' FSL & 1852' FWL Section 31-T23S-R29E with an estimated bottom hole location of 330' FSL & 330' FWL Section 6-T24S-R29E to test the Wolfcamp formation at an approximate vertical depth of 10,800'. The well is planned to be drilled to an approximate total measured depth of 15,705'. The entry point into the Wolfcamp formation will be located approximately 330' FNL and 330' FWL of Section 6; (2) the **Harroun 6 Federal Com 2H** at a surface hole location of 15' FSL & 1802' FWL Section 31-T23S-R29E with an estimated bottom hole location of 330' FSL & 330' FWL Section 6-T24S-R29E to test the Wolfcamp formation at an approximate vertical depth of 9,800'. The well is planned to be drilled to an approximate total measured depth of 14,737'. The entry point into the Wolfcamp formation will be located approximately 330' FNL and 330' FWL of Section 6; (3) the **Harroun 6 Federal Com 3H** at a surface hole location of 15' FSL & 1902' FWL Section 31-T23S-R29E with an estimated bottom hole location of 330' FSL & 2310' FWL Section 6-T24S-R29E to test the Wolfcamp formation at an approximate vertical depth of 10,800'. The well is planned to be drilled to an approximate total measured depth of 15,604'. The entry point into the Wolfcamp formation will be located approximately 330' FNL and 2310' FWL of Section 6; (4) the **Harroun 6 Federal Com 4H** at a surface hole location of 15' FSL & 1952' FWL Section 31-T23S-R29E with an estimated bottom hole location of 330' FSL & 2310' FWL Section 6-T24S-R29E to test the Wolfcamp formation at an approximate vertical depth of 9,800'. The well is planned to be drilled to an approximate total measured depth of 14,602'. The entry point into the Wolfcamp formation will be located approximately 330' FNL and 2310' FWL of Section 6; (5) the **Harroun 6 Federal Com 5H** at a surface hole location of 10' FNL & 1827' FWL Section 6-T24S-R29E with an estimated bottom hole location of 330' FSL & 1330' FWL Section 6-T24S-R29E to test the Wolfcamp formation at an approximate vertical depth of 10,800'. The well is planned to be drilled to an approximate total measured depth of 15,584'. The entry point into the Wolfcamp formation will be located approximately 330' FNL and 1330' FWL of Section 6; and (6) the **Harroun 6 Federal Com 6H** at a surface hole location of 10' FNL & 1927' FWL Section 6-T24S-R29E with an estimated bottom hole location of 330' FSL & 1330' FWL Section 6-T24S-R29E to test the Wolfcamp formation at an approximate vertical depth of 9,800'. The well is planned to be drilled to an approximate total measured depth of 14,588'. The entry point into the Wolfcamp formation will be located approximately 330' FNL and 1330' FWL of Section 6.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Guardian Operating Corporation as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately four and one-half miles east of Malaga, New Mexico.

**20. Case No. 15931:** (Continued from the January 11, 2018 Examiner Hearing.)

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 152.78-acre non-standard spacing and proration unit comprised of the N/2 S/2 of Section 19, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Marbob 19 State Com No. 123H Well** and the proposed **Marbob 19 State Com No. 133H Well**. These wells will be horizontally drilled from a surface location in the NW/4 SW/4 (Lot 3) to a standard bottom hole location in NE/4 SE/4 (Unit I) of Section 19. The completed interval each well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost

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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 Matador Production Company as operator of the wells and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles northeast of Carlsbad, N.M.

**21. Case No. 15851 (re-opened): Application of Chisholm Energy Operating, LLC to Re-Open Case No. 15851 To Pool the Interests Of An Additional Mineral Owner Under The Terms Of Compulsory Pooling Order R-14539, Lea County, New Mexico.** Applicant in the above-styled cause seeks to amend Division Order R-14539 to include the pooling of an additional mineral interest in the Bone Spring formation underlying the W/2 W/2 of Section 32, Township 18 South, Range 33 East, NMPM, in Lea County, New Mexico. Said unit is dedicated to the **Gazelle 32 State Com 2BS No. 1H** and is located 32 miles west of Hobbs, New Mexico.

**22. Case No. 15852 (re-opened): Application of Chisholm Energy Operating, LLC to Re-Open Case No. 15852 To Pool the Interests Of An Additional Mineral Owner Under The Terms Of Compulsory Pooling Order R-14540, Lea County, New Mexico.** Applicant in the above-styled cause seeks to amend Division Order R-14540 to include the pooling of an additional mineral interest in the Bone Spring formation underlying the E/2 W/2 of Section 32, Township 18 South, Range 33 East, NMPM, in Lea County, New Mexico. Said unit is dedicated to the **Gazelle 32 State Com 2BS No. 2H** and is located 32 miles west of Hobbs, New Mexico.

**23. Case No 15969: 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 24 and the E/2 W/2 of Section 25, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's two proposed initial wells: the proposed **Road Runner Fed Com No. 3H Well** and the proposed **Road Runner Fed Com No. 13H Well**, which will be drilled and simultaneously completed. These wells are stacked laterals and will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 25 to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 24. The completed interval for each 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 10 miles southeast of White City, New Mexico.

**24. Case No. 15970: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 240-acre, more or less, non-standard spacing and proration unit comprised of the top of the Paddock member to the base of the Blinbry member of the Yeso formation underlying the S/2 S/2 of Section 4 and the S/2 SW/4 of Section 3, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests underlying the spacing unit. Said non-standard unit is to be dedicated to applicant's proposed **Shovel Head Federal Com No. 18H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 5 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 3. The completed interval for this well will be unorthodox because it is closer than 330-foot to the outer boundary of the project area as required by the Statewide rules for oil wells. COG will seek administrative approval of the unorthodox location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 1 mile south of Maljamar, New Mexico.

**25. Case No. 15971: Application of Prime Rock Resources, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 20 and the E/2 W/2 of Section 29, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Olive Woolly Bugger 20-29 Federal Com #1H**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 17 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 29. 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 Prime Rock Resources, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 26 miles Northeast of Loving, New Mexico.

**26. Case No. 15972: Application of Chevron U.S.A. Inc. for approval of a salt water disposal well, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order authorizing injection for purposes of salt water disposal in the proposed **Maelstrom SWD No. 1 Well**, at a surface location 2050 feet from the South line and 1793 feet from the East line (Unit J) of Section 15, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico. The target injection interval is the Salado Draw/Silurian Limestone formation at a depth of approximately 17,400 feet to 19,100 feet. The maximum injection rate will be

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50,000 BWPD at a maximum injection pressure of 2500 psig. Said well is located approximately 28 miles southwest of Jal, New Mexico.

**27. Case No. 15932:** *(Continued from the January 25, 2018 Examiner Hearing.)*

***Amended Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.*** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 320-acre spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Hardie 4E Well** (API No. 30-045-24938) in the Mesaverde formation with a surface location in the W/2 of Section 24, Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Hardie 4E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 12 miles east of Blanco, NM.

**28. Case No. 15933:** *(Continued from the January 25, 2018 Examiner Hearing.)*

***Amended Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico.*** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 320-acre spacing and proration unit, and three within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 27-5 Unit 113F Well** (API No. 30-039-30495) in the Mesaverde formation with a proposed bottom-hole location in Unit F of the W/2 of Section 10, Township 27 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 27-5 Unit 113F Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

**29. Case No. 15935:** *(Continued from the January 25, 2018 Examiner Hearing.)*

***Amended Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico.*** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 320-acre spacing and proration unit, and three wells in the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-5 Unit 62E Well** (API No. 30-039-30154) in the Mesaverde formation with a surface location in N/2 of Section 31, Township 28 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-5 Unit 62E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

**30. Case No. 15973:** *Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico.* Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce three Mesaverde gas wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 27-5 Unit 138F Well** (API No. 30-039-26625), in the Mesaverde formation with a surface location within the E/2 of Section 19, Township 27 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 27-5 Unit 138F Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

**31. Case No. 15974:** *Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico.* Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce three Mesaverde gas wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 27-5 Unit 40F Well** (API No. 30-039-26528), in the Mesaverde formation with a surface location within the W/2 of Section 16, Township 27 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 27-5 Unit 40F Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

**32. Case No. 15975:** *Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico.* Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard spacing and proration unit, and three wells in the same quarter section. Hilcorp

further seeks approval for the proposed location of the **San Juan 27-5 Unit 108E Well** (API No. 30-039-23910) in the Mesaverde formation with a surface location in W/2 of Section 15, Township 27 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 27-5 Unit 108E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

33. **Case No. 15976: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard spacing and proration unit, and three wells in the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-6 Unit 119E Well** (API No. 30-039-29354) in the Mesaverde formation with a surface location in E/2 of Section 22, Township 28 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-6 Unit 119E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

34. **Case No. 15977: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce three Mesaverde gas wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 30-6 Unit 129 Well** (API No. 30-039-26124), in the Mesaverde formation with a surface location within the E/2 of Section 25, Township 30 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the **San Juan 30-6 Unit 129 Well** from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

35. **Case No. 15978: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce three Mesaverde gas wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-7 Unit 233G Well** (API No. 30-039-27005), in the Mesaverde formation with a surface location within the E/2 of Section 14, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-7 Unit 233G Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

36. **Case No. 15979: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard spacing and proration unit, and three wells in the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-7 Unit 128 Well** (API No. 30-039-82375) in the Mesaverde formation with a surface location in E/2 of Section 12, Township 27 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-7 Unit 128 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

37. **Case No. 15980: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard spacing and proration unit, and three wells in the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-7 Unit 133G Well** (API No. 30-039-26699) in the Mesaverde formation with a surface location within the W/2 of Section 35, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-7 Unit 133G Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

38. **Case No. 15981: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), Rio Arriba County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard spacing and proration unit, and three wells in the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-7 Unit 159 Well** (API No. 30-039-20384) in the Mesaverde



formation with a surface location within the E/2 of Section 22, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-7 Unit 159 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

39. **Case No. 15982:** *Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.* Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard spacing and proration unit, and three wells in the same quarter section. Hilcorp further seeks approval for the proposed location of the **Bolin Hardie 1 Well** (API No. 30-045-20126) in the Mesaverde formation with a surface location within the W/2 of Section 34, Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Bolin Hardie 1 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

40.. **Case No. 15946:** *(Continued from the January 25, 2018 Examiner Hearing.)*  
***Application of Robert L. Bayless, Producer LLC For Approval of the La Jara Mancos Unit, Creation of a New Pool For Horizontal Development Within the Unit Area, and For Allowance of 660 Foot Setbacks From The Exterior of the Proposed Unit, Rio Arriba County, New Mexico.*** Applicant seeks approval for its La Jara Mancos Unit consisting of 10,878.58 acres, more or less, of federal and fee lands situated in all or parts of Sections 1-2, 11-14, and 20-24, 25-29 and Section 32 of Township 29 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico. The Unitized Interval includes all formations from the top of the Mancos Shale Formation to the base of the Mancos Shale Formation. In addition, Applicant seeks an order creating a new pool for horizontal wells which would extend from the top of the Mancos Shale Formation to the base of the Mancos Shale Formation within the proposed Unit Area that will allow for horizontal gas development with 660 foot setbacks from the exterior of the proposed Unit boundary and with no internal setbacks. The subject acreage is approximately five miles north of Fruitland, New Mexico.

41. **Case No. 15949:** *(Continued from the January 25, 2018 Examiner Hearing.)*  
***Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a 143.56-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of Lots 1-4 (the W/2 W/2) of Section 18, Township 21 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 (project area). The unit is to be dedicated to the **Sombrero Fed. Com. Well No. 501H**, a horizontal well with a surface location in Lot 4 of adjoining Section 7, and a terminus in Lot 4 of Section 18. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 8-1/2 miles southeast of Halfway, New Mexico.

42. **Case No. 15950:** *(Continued from the January 25, 2018 Examiner Hearing.)*  
***Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a 160-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 18, Township 21 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 (project area). The unit is to be dedicated to the **Sombrero Fed. Com. Well No. 503H**, a horizontal well with a surface location in the SE/4 SW/4 of adjoining Section 7, and a terminus in the SE/4 SW/4 of Section 18. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 8-1/2 miles southeast of Halfway, New Mexico.

43. **Case No. 15951:** *(Continued from the January 25, 2018 Examiner Hearing.)*  
***Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a 160-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 W/2 of Section 18, Township 21 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 (project area). The unit is to be dedicated to the **Sombrero Fed. Com. Well No. 701H**, a horizontal well with a surface location in the SE/4 SW/4 of adjoining Section 7, and a terminus in the SE/4 SW/4 of Section 18. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 8-1/2 miles southeast of Halfway, New Mexico.

44. **Case No. 15952:** *(Continued from the January 25, 2018 Examiner Hearing.)*  
***Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea***

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*County, New Mexico.* Applicant seeks an order approving a 143.56-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of Lots 1-4 (the W/2 W/2) of Section 18, Township 21 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 (project area). The unit is to be dedicated to the **Sombrero Fed. Com. Well No. 702H**, a horizontal well with a surface location in Lot 4 of adjoining Section 7, and a terminus in Lot 4 of Section 18. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 8-1/2 miles southeast of Halfway, New Mexico.

*45.***Case No. 15926:** *(Continued from the January 11, 2018 Examiner Hearing.)*

*Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Mewbourne Oil Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 20 and the E/2W/2 of Section 29, Township 21 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 W/2 of Section 20 and the E/2 W/2 of Section 29. The unit will be dedicated to the **Caper 20/29 B2CN Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SE/4 SW/4 of adjoining Section 17, and a terminus in the SE/4 SW/4 of Section 29. The producing interval of the well will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 6-1/2 miles south-southeast of the intersection of State Highway 176 and U.S. Highway 62/180.