

# **NOTICE**

## **FOR COMPULSORY POOLING APPLICATIONS PRESENTED BY AFFIDAVITS**

**EFFECTIVE JANUARY 1, 2020**

OCD gives notice of new procedures to facilitate the submittal and review of compulsory pooling applications presented by affidavits.

For applications for which no other party has entered an appearance or filed a notice of intervention, OCD encourages the applicant to submit the application on affidavits.

For applications on which one or more parties have entered an appearance or filed a notice of intervention, OCD encourages the applicant to consult with the other parties to determine if they intend to cross-examine witnesses or present evidence. If the applicant confirms that no party intends to cross-examine witnesses or present evidence, OCD encourages the applicant to submit the application on affidavits.

For applications submitted on affidavits, the application must be accompanied by the attached checklist. The checklist ensures that the application contains all required information, including the affidavit of compliance with the notice requirements for the application and hearing.

At the hearing, the applicant will advise OCD that it intends to submit the application on affidavits, and request the admission of the application, affidavits, exhibits and checklist. If no party interposes a valid objection, OCD will grant the request and take the case under consideration.

# INSTRUCTIONS

## FOR COMPULSORY POOLING APPLICATIONS PRESENTED BY AFFIDAVITS

### BEFORE THE HEARING

1. Determine whether your application will be submitted on affidavits.
2. Complete and certify the checklist. An example is attached. For the segments entitled General, Formation/Pool, Spacing Unit, Other Situations, and Well(s), provide the actual data. For the remaining segments, identify the exhibit and page number.

### AT THE HEARING

1. When the application is called, inform the hearing examiner that the application will be submitted on affidavits.
2. The hearing examiner will inquire whether any person who has filed an entry of appearance or notice of intervention objects to the OCD accepting the application on affidavits.
3. If there are no valid objections, identify the applicant and the nature of the case, confirm the applicant's compliance with the notice requirements for the application and hearing, request the admission of the application, affidavits, exhibits and checklist, and ask that the case be taken under consideration. Do not describe the affidavits and exhibits.
4. Submit hard copies of the application, affidavits, exhibits and checklist. Provide the original to the hearing examiner and one copy to the court reporter.
5. Submittals must have a table of contents and be tabbed. Documents that are printed on 8x11 paper must be double-sided.
6. No later than five (5) business days after the hearing, submit the application, affidavits and exhibits in pdf format, and the checklist in pdf and excel format, by electronic mail with the subject line "Exhibits for Case # \_\_\_\_" to [OCD.Hearings@state.nm.us](mailto:OCD.Hearings@state.nm.us). Label each pdf file with the applicant's name, case number, and type of document.

# COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 20468	APPLICANT'S RESPONSE
Date	May 2, 2019
Applicant	Marathon Oil Permian LLC
Designated Operator & OGRID (affiliation if applicable)	372098
Applicant's Counsel:	Lawyer A
Case Title:	APPLICATION OF MARATHON OIL PERMIAN, CASE NO. 20468 LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Lawyer B
Well Family	Honey Mustard Wells
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Purple Sage, Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp Formation
Pool Name and Pool Code:	Purple Sage; Wolfcamp Gas (Pool Code 98220)
Well Location Setback Rules:	Special Rules for Purple Sage Gas Pool apply
Spacing Unit Size:	320 Ac
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks:	Quarter Section (160 ac)
Orientation:	North-South
Description: TRS/County	W/2 of Section 22, 24S, 28E, Eddy County, NM
Standard Horizontal Well Spacing Unit	Yes
<b>Other Situations</b>	
Depth Severance: No	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	A-3
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Please see Exhibit A-1 and A-2 for the C-102s of the 8 Honey Mustard wells that are proposed for this Compulsory Pooling Case.
	<p><b>Honey Mustard 22 WA Fed Com 2H, API No. Pending</b></p> <p>SHL:479 feet from the South line and 989 feet from the West line, (Unit M) of Section 22, Township 24 South, Range 28 East, NMPM. BHL:330 feet from the North line and 993 feet from the West line, (Unit D) of Section 22, Township 24 South, Range 28 East, NMPM.</p> <p>Completion Target: Wolfcamp A at approx 9715 feet TVD. Well Orientation:South to North Completion Location expected to be:standard</p>
	<p><b>Honey Mustard 22 WD Fed Com 3H, API No. Pending</b></p> <p>SHL:259 feet from the South line and 956 feet from the West line, (Unit M) of Section 22, Township 24 South, Range 28 East, NMPM. BHL:330 feet from the North line and 330 feet from the West line, (Unit D) of Section 22, Township 24 South, Range 28 East, NMPM.</p> <p>Completion Target: Wolfcamp D at approx 10319 feet TVD. Well Orientation:South to North Completion Location expected to be:standard</p>

	<p><b>Honey Mustard 22 WD Fed Com 5H, API No. Pending</b></p> <p>SHL:259 feet from the South line and 986 feet from the West line, (Unit M) of Section 22, Township 24 South, Range 28 East, NMPM. BHL:330 feet from the North line and 993 feet from the West line, (Unit D) of Section 22, Township 24 South, Range 28 East, NMPM.</p> <p>Completion Target: Wolfcamp D at approx 10554 feet TVD. Well Orientation:South to North Completion Location expected to be:standard</p>
	<p><b>Honey Mustard 22 WXY Fed Com 6H, API No. Pending</b></p> <p>SHL:479 feet from the South line and 1019 feet from the West line, (Unit M) of Section 22, Township 24 South, Range 28 East, NMPM. BHL:330 feet from the North line and 1653 feet from the West line, (Unit C) of Section 22, Township 24 South, Range 28 East, NMPM.</p> <p>Completion Target: Wolfcamp Y at approx 9562 feet TVD. Well Orientation:South to North Completion Location expected to be:standard</p>
	<p><b>Honey Mustard 22 WXY Fed Com 8H, API No. Pending</b></p> <p>SHL:479 feet from the South line and 959 feet from the West line, (Unit M) of Section 22, Township 24 South, Range 28 East, NMPM. BHL:330 feet from the North line and 330 feet from the West line, (Unit D) of Section 22, Township 24 South, Range 28 East, NMPM.</p> <p>Completion Target: Wolfcamp Y at approx 9562 feet TVD. Well Orientation:South to North Completion Location expected to be:standard</p>
	<p><b>Honey Mustard 22 WA Fed Com 9H, API No. Pending</b></p> <p>SHL:478 feet from the South line and 1049 feet from the West line, (Unit M) of Section 22, Township 24 South, Range 28 East, NMPM. BHL:330 feet from the North line and 2316 feet from the West line, (Unit C) of Section 22, Township 24 South, Range 28 East, NMPM.</p> <p>Completion Target: Wolfcamp A at approx 9715 feet TVD. Well Orientation:South to North Completion Location expected to be:standard</p>
	<p><b>Honey Mustard 22 WD Fed Com 10H, API No. Pending</b></p> <p>SHL:259 feet from the South line and 1046 feet from the West line, (Unit M) of Section 22, Township 24 South, Range 28 East, NMPM. BHL:330 feet from the North line and 2316 feet from the West line, (Unit C) of Section 22, Township 24 South, Range 28 East, NMPM.</p> <p>Completion Target: Wolfcamp D at approx 10554 feet TVD. Well Orientation:South to North Completion Location expected to be:standard</p>
	<p><b>Honey Mustard 22 WD Fed Com 11H, API No. Pending</b></p> <p>SHL:259 feet from the South line and 1016 feet from the West line, (Unit M) of Section 22, Township 24 South, Range 28 East, NMPM. BHL:330 feet from the North line and 1653 feet from the West line, (Unit C) of Section 22, Township 24 South, Range 28 East, NMPM.</p> <p>Completion Target: Wolfcamp D at approx 10319 feet TVD. Well Orientation:South to North Completion Location expected to be:standard</p>
Horizontal Well First and Last Take Points	Please see Exhibit A-1 and A-2 for the C-102s of the 8 wells that are proposed for Compulsory Pooling Case, which will show the first and last take points.
Completion Target (Formation, TVD and MD)	Please see the Application, (A), the C-102s (A-1 and A-2) and the AFEs (A-4) for this data. Some of this data is also listed above with each well.
	<b>IDENTIFY THE EXHIBIT AND PAGE FOR INFORMATION BELOW THIS LINE</b>
<b>AFE Capex and Operating Costs</b>	

Drilling Supervision/Month \$	\$7000/\$700
Production Supervision/Month \$	Please see A-4 and A-5 for AFEs
Justification for Supervision Costs	Please see A-4 and A-5 for AFEs
Requested Risk Charge	200%, Please see A-4 and A-5 for AFEs
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	A-6
Proof of Mailed Notice of Hearing (20 days before hearing)	A-6
Proof of Published Notice of Hearing (10 days before hearing)	A-6
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	A-3
Tract List (including lease numbers and owners)	A-3
Pooled Parties (including ownership type)	A-3
Unlocatable Parties to be Pooled	A-3
Ownership Depth Severance (including percentage above & below)	A-3
<b>Jolnder</b>	
Sample Copy of Proposal Letter	A-4
List of Interest Owners (ie Exhibit A of JOA)	A-4
Chronology of Contact with Non-Joined Working Interests	A-4
Overhead Rates In Proposal Letter	A-4
Cost Estimate to Drill and Complete	A-5
Cost Estimate to Equip Well	A-5
Cost Estimate for Production Facilities	A-5
<b>Geology</b>	
Summary (including special considerations)	A-7
Spacing Unit Schematic	A-7
Gunbarrel/Lateral Trajectory Schematic	A-7
Well Orientation (with rationale)	A-7
Target Formation	A-7
HSU Cross Section	A-7
Depth Severance Discussion	A-7
<b>Forms, Figures and Tables</b>	
C-102	A-2
Tracts	A-3
Summary of Interests, Unit Recapitulation (Tracts)	A-3
General Location Map (including basin)	A-7
Well Bore Location Map	B-7
Structure Contour Map - Subsea Depth	B-7, B-10, B-13
Cross Section Location Map (including wells)	B-8, B-11
Cross Section (including Landing Zone)	B-9, B-12, B-13
<b>Additional Information</b>	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name (Attorney or Party Representative):</b>	
<b>Signed Name (Attorney or Party Representative):</b>	
<b>Date:</b>	

