

DOCKET: OIL CONSERVATION DIVISION HEARINGS - THURSDAY, DECEMBER 12, 2019

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

Applications for hearing shall be filed at least thirty (30) days in advance of the hearing date. A party who intends to present evidence shall file a pre-hearing statement no later than the close of business on the Thursday prior to the hearing date and serve a copy on the other parties, if any. The hearing examiner will dismiss the application if the applicant does not file and serve a pre-hearing statement as specified above. A party desiring to use projection equipment at the hearing shall contact Florene Davidson, OCD Clerk, no later than seven (7) business days prior to the hearing.

NOTICE: The hearing examiner may call the following cases in any order in his or her discretion.

1. Case No. 20676: (This case was continued from the October 31, 2019, hearing.)

Application of Tap Rock Resources, LLC for a compulsory pooling, Eddy County, New Mexico. Tap Rock Resources, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 23, Township 26 South, Range 28 East, NMPM. The unit will be dedicated to the **Painted Pole Fed. Com. Well No. 234H** to be drilled to a depth sufficient to test the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool). The well has a surface location in the SE/4SE/4 of adjoining Section 14, with a first take point in the NE/4NE/4 and a final take point in the SE/4SE/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 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 2-1/2 miles northwest of the intersection of U.S. Highway 285 with the New Mexico-Texas border.

2. Case No. 20856: (This case was continued from the November 14, 2019, hearing.)

Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 767.95-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 23 and 26, and the N/2 NE/4 and Lots 3-4 (E/2 equivalent) of irregular Section 35, Township 26 South, Range 28 East, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells:

- the **Keg Shell Fed Com #701H** well and the **Keg Shell Fed Com #702H** well, both of which will be drilled from a common surface hole location in NE/4 NE/4 (Unit A) of Section 23 to bottom hole locations in the SE/4 NE/4 (Lot 4) of Section 35; and
- the **Keg Shell Fed Com #703H** well, to be drilled from a surface hole location in NW/4 NE/4 (Unit B) of Section 23 to a bottom hole location in the SW/4 NE/4 (Lot 3) of Section 35.

Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 22 miles southeast of Whites City, New Mexico.

3. Case No. 20857: (This case was continued from the November 14, 2019, hearing.)

Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 767.85-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 23 and 26, and the N/2 NW/4 and Lots 1-2 (W/2 equivalent) of irregular Section 35, Township 26 South, Range 28 East, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells:

- the **Keg Shell Fed Com #704H** well, to be drilled from a surface hole location in NE/4 NW/4 (Unit C) of Section 23 to a bottom hole location in the SE/4 NW/4 (Lot 2) of Section 35; and
- the **Keg Shell Fed Com #705H** well and the **Keg Shell Fed Com #706H** well, both of which will be drilled from a common surface hole location in NW/4 NW/4 (Unit D) of Section 23 to bottom hole locations in the SW/4 NW/4 (Lot 1) of Section 35.

Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 22 miles southeast of Whites City, New Mexico.

4. Case No. 20918: Application of XTO Delaware Basin, LLC to Amend Order No. R-20568 By Excluding Federal Unit Acreage from Horizontal Spacing Unit, Eddy County New Mexico. Applicant seeks an amended order that excludes its federal unit acreage from the horizontal spacing unit that was approved in Order No. R-20568. The order approved a 320-acre horizontal spacing unit comprised of the N/2 S/2 of Sections 4 and 5, Township 23 South, Range 29 East in Eddy County and pooled all uncommitted mineral interests in the Bone Spring formation at all depths below 8,773 feet subsurface to the stratigraphic equivalent of the Bone Spring formation at 9,865 feet. Applicant is the federally-approved operator of the Big Eddy Unit, which is comprised of 132,182.32 acres in Eddy and Lea Counties and includes the N/2 SE/4 of Section 4, Township 23 South in Eddy County.

5. Case No. 20919: Application of XTO Delaware Basin, LLC to Amend Order No. R-20249 By Excluding Federal Unit Acreage from Horizontal Spacing Unit, Eddy County New Mexico. Applicant seeks an amended order that excludes its federal unit acreage from the horizontal spacing unit that was approved in Order No. R-20249. The order approved a 640-acre horizontal spacing unit comprised of the S/2 of Sections 4 and 5, Township 23 South, Range 29 East in Eddy County and pooled all uncommitted mineral interests in the Wolfcamp formation underlying the horizontal spacing unit. Applicant is the federally-approved operator of the Big Eddy Unit, which is comprised of 132,182.32 acres in Eddy and Lea Counties and includes the N/2 SE/4 of Section 4, Township 23 South in Eddy County.

6. Case No. 20920: Application of Chisholm Energy Operating, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 20 and 29, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the following proposed initial wells: the **Asteroid 20-29 Fed Com WCA #1H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 20 to bottom hole location in the SW/4 SE/4 (Unit O) of Section 29; and the **Asteroid 20-29 Fed Com WCA #2H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 20 to bottom hole location in the SE/4 SE/4 (Unit P) of Section 29. The completed interval for the well will comply with the setback requirements of the Special Rules for the Purple Sage Wolfcamp Pool. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing each well. Said area is located approximately 8 miles southwest of Carlsbad, New Mexico.

7. Case No. 20527 (re-opened): Application of COG Operating, LLC to Re-Open Case No. 20527 to Amend Compulsory Pooling Order No. R-20766, Lea County, New Mexico. Applicant in the above-styled cause seeks to amend Division Order No. R-20766 to change the initial wells dedicated to the 640-acre, more or less, horizontal well spacing unit within the WC-025 G-09 S243532M; Wolfbone Pool (98098), underlying Lots 3-7, the SE/4 NW/4, and the E/2 SW/4 (W/2 equivalent) of irregular Section 6,

and Lots 1-4, and the E/2 W/2 (W/2 equivalent) of irregular Section 7, Township 25 South, Range 35 East, Lea County, New Mexico. The spacing unit will now be dedicated to the following wells:

- the **Stove Pipe Federal Com #601H** well and the **Stove Pipe Federal Com #702H** well to be drilled from surface hole locations in SE/4 SW/4 (Unit N) of irregular Section 31, T24S, R35E, to bottom hole locations in the SE/4 SW/4 (Unit N) of irregular Section 7, T25S, R35E; and
- the **Stove Pipe Federal Com #603H** well (formerly the **Stove Pipe Federal Com #704H** well), the **Stove Pipe Federal Com #706H** well, and the **Stove Pipe Federal Com #707H** well to be drilled from surface hole locations in SW/4 SW/4 (Lot 4) of irregular Section 31, T24S, R35E, to bottom hole locations in the SW/4 SW/4 (Lot 4) of irregular Section 7, T25S, R35E.

The completed interval for the proposed **Stove Pipe Federal Com #603H** well (formerly the **Stove Pipe Federal Com #704H** well) will be within 330' of the quarter-quarter line separating the W/2 W/2 equivalent and the E/2 W/2 equivalent of irregular Sections 6 and 7 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. Said area is located approximately 12.6 miles southeast of Malaga, New Mexico.

8. Case No. 20921: Application of NGL Water Solutions Permian, LLC for approval of salt water disposal well in Lea County, New Mexico. Applicant seeks an order approving the Striker 4 SWD #1 well, with a surface location 850 feet from the South line and 174 feet from the West line of Section 24, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant requests authorization to inject salt water into the into the Bell and Cherry Canyon formations at a depth of 5,437 to 7,200'. Applicant requests that the Division approve a maximum daily injection rate for the well of 20,000 bbls per day. Said location is approximately 15 miles west of Jal, New Mexico.

9. Case No. 20922: Application of Ridge Runner Resources Operating, LLC for compulsory pooling, non-standard spacing and proration unit in Eddy County, New Mexico. Applicant in the above cause seeks an order pooling mineral interests within the Parkway Bone Spring Pool (Pool Code 49622), as to the proposed oil and gas wells listed below, underlying Sections 32 and 33, Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico. These wells are located approximately 19 miles southeast of Loco Hills, New Mexico. 1) The proposed **Armstrong 32-33 Fed Com W #1H** to be horizontally drilled to a depth sufficient to test the Wolfcamp XY interval of the Wolfcamp Formation from an orthodox SHL 360' FNL & 100' FWL, being in Unit letter D of Section 32 and a BHL 330' FNL & 100' FEL being in Unit letter A of Section 33, T19S, R30E; 2) The proposed **Armstrong 32-33 Fed Com W #2H** to be horizontally drilled to a depth sufficient to test the Wolfcamp XY interval of the Wolfcamp Formation from an orthodox SHL 360' FSL & 100' FWL, being in Unit letter M of Section 32 and a BHL 330' FSL & 100' FEL, being in Unit letter P of Section 33, T19S, R30E; 3) The proposed **Armstrong 32-33 Fed Com B #1H** to be horizontally drilled to a depth sufficient to test the 3rd Bone Spring sand of the Parkway Bone Spring Pool (Pool Code 49622) from an orthodox SHL 330' FNL & 100' FWL being in Unit D of Section 32 and the BHL 330' FNL & 100' FEL being in Unit A of Section 33, T19S, R30E; 4) The **proposed Armstrong 32-33 Fed Com B #2H** to be horizontally drilled to a depth sufficient to test the 3rd Bone Spring Sand of the Parkway Bone Spring Pool (Pool Code 49622) from an orthodox SHL 1980' FNL & 100' FWL, being in Unit letter E of Section 32, and the BHL 1980' FNL & 100' FEL, being in unit letter H of Section 33, T19S, R30E; 5) The proposed **Armstrong 32-33 Fed Com B #3H** to be horizontally drilled to a depth sufficient to test the 3rd Bone Spring Sand of the Parkway Bone Spring Pool (Pool Code 49622) from an orthodox SHL 1980' FSL & 100' FWL of Section 32, being in Unit letter L of Section 32, and the BHL 1980' FSL & 100' FEL, being in Unit letter I of Section 33, T19S, R30E; 6) The proposed **Armstrong 32-33 Fed Com B #4H** to be horizontally drilled to a depth sufficient to test the 3rd Bone Spring Sand of the Parkway Bone Spring Pool (Pool Code 49622) from an orthodox SHL 330' FSL & 100' FWL of Section 32, being in Unit letter M of Section 32, and the BHL 330' FSL & 100' FEL, being in Unit letter P of Section 33, T19S, R30E.

10. Case No. 20923: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the Lots 1-2, S/2 NE/4, and the SE/4 (E/2 equivalent) of irregular Section 4, and the E/2 of Section 9, Township 24 South, Range 32 East, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- The **Mastiff Fed Com #201H**, the **Mastiff Fed Com #202H**, the **Mastiff Fed Com #301H**, the **Mastiff Fed Com #302H**, **Mastiff Fed Com #501H**, and the **Mastiff Fed Com #502H** wells to be drilled from surface hole locations in NE/4 NE/4 (Lot 1) of Section 4 to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 9.

- The **Mastiff Fed Com #203H**, the **Mastiff Fed Com #303H**, the **Mastiff Fed Com #304H**, the **Mastiff Fed Com #305H**, the **Mastiff Fed Com #503H**, and the **Mastiff Fed Com #504H** wells to be drilled from surface hole locations in NW/4 NE/4 (Lot 2) of Section 4 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 9.

The completed intervals for the proposed **Mastiff Fed Com #202H** well will be within 330' of the quarter-quarter line separating the W/2 E/2 and the E/2 E/2 of Sections 4 and 9 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 23 miles east of Loving, New Mexico.

11. Case No. 20924: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of Lots 3-4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of irregular Section 4, Township 24 South, Range 32 East, and the W/2 of Section 33, Township 23 South, Range 32 East, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- The **Mastiff Fed Com #204H**, the **Mastiff Fed Com #306H**, and the **Mastiff Fed Com #307H** wells to be drilled from surface hole locations in SE/4 SW/4 (Unit N) of Section 4 to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 33.

- The **Mastiff Fed Com #205H**, the **Mastiff Fed Com #308H**, the **Mastiff Fed Com #309H**, the **Mastiff Fed Com #310H**, the **Mastiff Fed Com #505H**, the **Mastiff Fed Com #506H**, the **Mastiff Fed Com #507H** wells to be drilled from surface hole locations in SW/4 SW/4 (Unit M) of Section 4 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 33.

The completed intervals for the proposed **Mastiff Fed Com #308H** well will be within 330' of the quarter-quarter line separating the W/2 W/2 and the E/2 W/2 of Sections 4 and 33 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 23 miles east of Loving, New Mexico.

12. Case No. 20925: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of Lots 1-2, S/2 NE/4, and the SE/4 (E/2 equivalent) of irregular Section 4 and the E/2 of Section 9, Township 24 South, Range 32 East, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- The **Mastiff Fed Com #701H** and the **Mastiff Fed Com #702H** wells to be drilled from surface hole locations in NE/4 NE/4 (Lot 1) of Section 4 to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 9.

- The **Mastiff Fed Com #703H**, **Mastiff Fed Com #704H**, and the **Mastiff Fed Com #705H** wells to be drilled from surface hole locations in NW/4 NE/4 (Lot 2) of Section 4 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 9.

The completed intervals for the proposed **Mastiff Fed Com #703H** well will be within 330' of the quarter-quarter line separating the W/2 E/2 and the E/2 E/2 of Sections 4 and 9 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 23 miles east of Loving, New Mexico.

13. Case No. 20926: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of Lots 3-4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of irregular Section 4, Township 24 South, Range 32 East, and the W/2 of Section 33, Township 23 South, Range 32 East, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- The **Mastiff Fed Com #706H**, the **Mastiff Fed Com #707H**, and the **Mastiff Fed Com #708H** wells to be drilled from surface hole locations in SE/4 SW/4 (Unit N) of Section 4 to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 33.

- The **Mastiff Fed Com #709H** and the **Mastiff Fed Com #710H** wells to be drilled from surface hole locations in SW/4 SW/4 (Unit M) of Section 4 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 33.

The completed intervals for the proposed **Mastiff Fed Com #708H** well will be within 330' of the quarter-quarter line separating the W/2 W/2 and the E/2 W/2 of Sections 4 and 33 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 23 miles east of Loving, New Mexico.

14. Case No. 20927: Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the division pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 1280-acre, more or less, horizontal spacing unit comprised of all of Sections 10 and 3, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. COG Operating LLC seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- The **Rock Jelly Fed Com 701H** well to be horizontally drilled from a surface hole location in the NE/4NE/4 (Unit A) of Section 3 to a bottom hole location in the SE/4SE/4 (Unit P) of Section 10,

- The **Rock Jelly Fed Com 702H** well to be horizontally drilled from a surface hole location in the NE/4NE/4 (Unit A) of Section 3 to a bottom hole location in the SW/4SE/4 (Unit O) of Section 10,

- The **Rock Jelly Fed Com 703H** well to be horizontally drilled from a surface hole location in the NE/4NW/4 (Unit C) of Section 3 to a bottom hole location in the SE/4SW/4 (Unit N) of Section 10,

- The **Rock Jelly Fed Com 704H** well to be horizontally drilled from a surface hole location in the NE/4NW/4 (Unit C) of Section 3 to a bottom hole location in the SE/4SW/4 (Unit N) of Section 10,

- The **Rock Jelly Fed Com 705H** well to be horizontally drilled from a surface hole location in the NE/4NW/4 (Unit C) of Section 3 to a bottom hole location in the SW/4SW/4 (Unit M) of Section 10.

The completed interval for the proposed **Rock Jelly Fed Com 703H** will be within 330' of the quarter-quarter line separating the W/2E/2 and the E/2W/2 of Sections 3 and 10, which allows inclusion of this acreage into a standard 1280-acre, more or less, horizontal spacing unit. Also, to be considered will be the timing of the drilling and completing of said wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of COG Operating LLC as operator of the wells, and the imposition of 200% charge for risk involved in drilling and completing said wells. Said area is located approximately 12 miles southeast of Malaga, New Mexico.

15. Case No. 20928: Application of COG Operating, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation, Purple Sage-Wolfcamp Gas Pool (Pool Code 98220) underlying the 767.57-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 20 and 29 and the N/2NE/4 and the Lots 3, and 4 of irregular Section 32, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. This horizontal spacing unit will be dedicated to the proposed **Honey Graham State Com 701H Well** to be horizontally drilled to a depth sufficient to test the Wolfcamp formation with the first take point for this well in Unit A (NE/4NE/4) of Section 20 and the last take point in Lot 4 of Section 32. All take points in this well shall be at legal locations pursuant to the rules of the Purple Sage-Wolfcamp Gas Pool. Also to be considered will be approval of an extension of the time for drilling and completion of the initial well on this horizontal spacing unit, the cost of drilling and completing this well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating, LLC as operator of the well and horizontal well unit, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 4 miles west-northwest of the intersection of U. S. Highway 285 with the New Mexico-Texas border.

16. Case No. 20929: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests in the Bone Spring formation in a 240-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Section 13, Township 19 South, Range 28 East and the N/2 SW/4 of Section 18, Township 19 South, Range 29 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the following wells: the **Rattlesnake 13/18 B2LK State Com #1H** well, which will be horizontally drilled from a surface location in Unit L in Section 13, Township 19 South, Range 28 East to a bottom hole location in Unit K in Section 18, Township 19 South, Range 29 East; and the **Rattlesnake 13/18 B3LK State Com #1H** well, which will be horizontally drilled from a surface location in Unit L in Section 13, Township 19 South, Range 28 East to a bottom hole location in Unit K in Section 18, Township 19 South, Range 29 East. The completed intervals for the wells will be orthodox. Also to be considered will be the costs of drilling and completing the wells and the allocation of the costs, the designation of Mewbourne Oil Company as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 14 miles northeast of Carlsbad, New Mexico.

17. Case No. 20930: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Section 28 and the E/2 of Section 21, Township 23 South, Range 28 East in Eddy County. The horizontal spacing unit will be dedicated to the following wells: **Starship 28-21 W0OB Fee #1H** well, which will be horizontally drilled from a surface location in Unit P in Section 28 to a bottom hole location in Unit B in Section 21; and the **Starship 28-21 W0OB Fee #2H** well, which will be horizontally drilled from a surface location in Unit P in Section 28 to a bottom hole location in Unit B in Section 21. The completed intervals for the wells will be orthodox. Also to be considered will be the costs of drilling and completing the wells and the allocation of the costs, the designation of Mewbourne Oil Company as the operator of the wells, and a

200% charge for the risk involved in drilling and completing the wells. The wells will be located approximately one-half mile east of Loving, New Mexico.

18. Case No. 20931: Application of COG Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 18, Township 24 South, Range 34 East, NMPM, in Lea County. The horizontal spacing unit will be dedicated to the **Sebastian Federal Com #704H** well, which will be horizontally drilled from a surface location in Unit B to a bottom hole location in Unit O in Section 18. The completed interval for the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of COG Operating, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 20 miles northwest of Jal, New Mexico.

19. Case No. 20932: Application of COG Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 160-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 18, Township 24 South, Range 34 East, NMPM, in Lea County. The horizontal spacing unit will be dedicated to the **Sebastian Federal Com #703H** well, which will be horizontally drilled from a surface location in Unit B to a bottom hole location in Unit P in Section 18. The completed interval for the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of COG Operating, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 20 miles northwest of Jal, New Mexico.

20. Case No. 20933: Application of Black River Water Management Company, LLC to Amend Administrative Order SWD-1738 for Malaga SWD No. 4 Well, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order amending Administrative Order SWD-1738 to permit increase the diameter of the injection tubing in its **Malaga SWD No. 4 Well** (API No. 30-015-44514) from 4.5 inches to 5.5 inches. Administrative Order SWD-1738 currently allows injection tubing that is 4.5 inches or smaller. The subject well is located 1,489 feet from the north line and 490 feet from the west line (Unit E) of Section 11, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. All other approved well designs and permit conditions under Administrative Order SWD-1738 are proposed to remain unchanged. The Malaga SWD No. 4 Well is located approximately 1 mile southeast of Malaga, N.M.

21. Case No. 20934: Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 767.72-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 22 and 27, and the N/2 NE/4 and Lots 3-4 (E/2 equivalent) of irregular Section 34, Township 26 South, Range 28 East, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells:

- the **Potato Baby State Com #701H** well and the **Potato Baby State Com #702H** well, both of which will be drilled from a common surface hole location in NE/4 NE/4 (Unit A) of Section 22 to bottom hole locations in the SE/4 NE/4 (Lot 4) of Section 34; and
- the **Potato Baby State Com #703H** well, to be drilled from a surface hole location in NW/4 NE/4 (Unit B) of Section 22 to a bottom hole location in the SW/4 NE/4 (Lot 3) of Section 34.

Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 13 miles south of Malaga, New Mexico.

22. Case No. 20935: Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 767.52-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 22 and 27, and the N/2 NW/4 and Lots 1-2 (W/2 equivalent) of irregular Section 34, Township 26 South, Range 28 East, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells:

- the **Potato Baby State Com #704H** well and the **Potato Baby State Com #705H** well, both of which will be drilled from a common surface hole location in NE/4 NW/4 (Unit C) of Section 22 to bottom hole locations in the SE/4 NW/4 (Lot 2) of Section 34; and
- the **Potato Baby State Com #705H** well and the **Potato Baby State Com #706H** well, both of which are to be drilled from a common surface hole location in NW/4 NW/4 (Unit D) of Section 22 to a bottom hole location in the SW/4 NW/4 (Lot 1) of Section 34.

Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 13 miles south of Malaga, New Mexico.

23. Case No. 20936: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 480-acre horizontal spacing unit comprised of the NE/4 of Section 29 and the E/2 of Section 20, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed **Betty Jones Com #203H** well to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 29, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20. The completed interval for this well will comply with the 330-foot setback requirement contained in the Special Rules for the Wolfcamp Purple Sage Gas Pool. Also to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is located near the city of Carlsbad, New Mexico.

24. Case No. 20937: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the NW/4 of Section 29 and the W/2 of Section 20, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed **Dr. Steve Ohnimus Com #202H** well to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 29, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20. The completed interval for this well will comply with the 330-foot setback requirement contained in the Special Rules for the Wolfcamp Purple Sage Gas Pool. Also to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is located near the city of Carlsbad, New Mexico.

25. Case No. 20938: Application of Chisholm Energy Operating, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the E/2 of Section 15, and the NE/4 of Section 22, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the following proposed initial wells: the **Dark Canyon 15-22 WCA #6H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 15 to bottom hole location in the SW/4 NE/4 (Unit G) of

Section 22; and the **Dark Canyon 15-22 WCA #7H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 15 to bottom hole location in the SE/4 NE/4 (Unit H) of Section 22. The completed interval for the well will comply with the setback requirements of the Special Rules for the Purple Sage Wolfcamp Pool. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing each well. Said area is located approximately 19 miles east of Loving, New Mexico.

26. Case No. 20939: Application of Steward Energy II, LLC for compulsory pooling and approval of an unorthodox well location, Lea County, New Mexico. Applicant seeks an order (i) pooling all uncommitted mineral interests in the San Andres formation in a 358.05 acre, more or less, horizontal spacing unit comprised of E/2 of Section 23 and the NE/4 of Section 26, Township 13 South, Range 38 East, in Lea County, and (ii) approving an unorthodox well location. The horizontal spacing unit is to be dedicated to the **Slippin Jimmy Fee #1H** well, which will be horizontally drilled from a surface location in Lot 3 in Section 26 to a bottom hole location in Lot 1 in Section 23. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Steward Energy II, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well location is approximately sixteen (16) miles southeast of Tatum, New Mexico.

27. Case No. 20940: Application of Centennial Resource Production, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Section 5, Township 22 South, Range 32 East, and the W/2 E/2 of Section 32, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be dedicated to the proposed initial **Mozzarella Fed Com #603H Well** to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 8, Township 22 South, Range 32 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 32. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles east of Loving, New Mexico.

28. Case No. 20941: Application of Centennial Resource Production, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Section 5, Township 22 South, Range 32 East, and the E/2 W/2 of Section 32, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be dedicated to the proposed initial **Mozzarella Fed Com #702H Well** to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 8, Township 22 South, Range 32 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 32. The completed interval for the **Mozzarella Fed Com #702H Well** will comply with the statewide setback requirements for oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles east of Loving, New Mexico.

29. Case No. 20942: Application of Centennial Resource Production, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Section 5, Township 22 South, Range 32 East, and the W/2 E/2 of Section 32, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to

be dedicated to the proposed initial **Mozzarella Fed Com #703H Well** to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 8, Township 22 South, Range 32 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 32. The completed interval for the **Mozzarella Fed Com #703H Well** will comply with the statewide setback requirements for oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles east of Loving, New Mexico.

30. Case No. 20943: Application of Centennial Resource Production, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 1 and 12, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be dedicated to the following proposed initial wells: (1) the **Pac-Man 36 Fed Com #601H Well** to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 36, Township 22 South, Range 34 East, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 12; (2) the **Pac-Man 36 Fed Com #602H Well**, and (3) the **Pac-Man 36 Fed Com #603H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 36, Township 22 South, Range 34 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 12. The completed interval for the **Pac-Man 36 Fed Com #602H Well** will remain within 330 feet of the E/2 W/2 of Sections 1 and 12 to allow inclusion of this acreage into a standard 640-acre horizontal spacing unit. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles northwest of Jal, New Mexico.

31. Case No. 20944: Application of Devon Energy Production Company, L.P. for Approval of a Salt Water Disposal Well, Lea County, New Mexico. Applicant in the above-styled cause seeks an order authorizing it to recomplete and operate an injection well for purposes of disposing produced salt water to be named the **Sand 18 Federal No. 001 Well** (API No. 30-025-25017), which will be located 1,980 feet from the north line and 660 feet from the east line (Unit H), Section 18, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. Injection will be into the Devonian/Silurian and Fusselman formations [SWD; Devonian (Pool Code 96101)] between 16,700 feet and 18,000 feet below the ground through an open-hole completion. Disposal fluid will be produced water from producing oil and gas wells in the area. The maximum injection pressure will be 3,340 psi. The subject well will be located approximately 30 miles southwest of Eunice, N.M.

32. Case No. 20945: 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 E/2 W/2 of Section 7, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Ares 7 SB Fee 7H** 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 2.5 miles Northwest of Loving, New Mexico.

33. Case No. 20946: Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Mead West 32 SB State 1H** well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 20 miles West-Southwest of Hobbs, New Mexico.

34. Case No. 20947: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Basin-Fruitland Coal 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 7(d) of the Special Rules and Regulations of the Basin-Fruitland Coal Gas Pool to permit it to complete and simultaneously produce three Fruitland Coal gas wells in the same standard 320-acre, more or less, spacing unit, with two wells in the same quarter-quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 30-6 Unit 144 Well** (API No. 30-039-26132) in the Mesaverde formation with a surface location in Unit M of the W/2 of Section 27, 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 144 Well** from the Basin-Fruitland Coal Gas Pool. Said area is located approximately 3 miles southeast of Navajo Dam, NM.

35. Case No. 20948: Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfbone horizontal spacing unit underlying the W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Mead West 32 WFB State 5H** well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 20 miles West-Southwest of Hobbs, New Mexico.

36. Case No. 20949: Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Mead West 32 SB State 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 20 miles West-Southwest of Hobbs, New Mexico.

37. Case No. 20950: Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfbone horizontal spacing unit underlying the E/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Mead West 32 WFB State 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, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 20 miles West-Southwest of Hobbs, New Mexico.

38. Case No. 20951: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **County Fair Federal 602H** well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC 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 9 miles Northwest of Jal, New Mexico.

39. Case No. 20952: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2W/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Blue Ribbon Federal 702H** and the **Blue Ribbon Federal 703H** wells, to be horizontally drilled. The producing area for the **Blue Ribbon Federal 703H** well will be unorthodox. The producing area for the **Blue Ribbon Federal 702H** 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 Franklin Mountain Energy, LLC 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 completion of the first well. Said area is located approximately 9 miles Northwest of Jal, New Mexico.

40. Case No. 20953: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2W/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **County Fair Federal 701H** well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC 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 are drilled and completion of the first well. Said area is located approximately 9 miles Northwest of Jal, New Mexico.

41. Case No. 20954: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Parade State 603H** well and the **Beauty Queen Federal 604H** well, to be horizontally drilled. The producing area for the **Parade State 603H** well will be unorthodox. The producing area for the **Beauty Queen Federal 604H** 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 Franklin Mountain Energy, LLC 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 first well is drilled and when the wells are completed. Said area is located approximately 9 miles Northwest of Jal, New Mexico.

42. Case No. 20955: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Parade State 704H** well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC 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 are drilled and completion of the first well. Said area is located approximately 9 miles Northwest of Jal, New Mexico.

43. Case No. 20956: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Beauty Queen Federal 705H** well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC 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 completion of the well. Said area is located approximately 9 miles Northwest of Jal, New Mexico.

44. Case No. 20957: Application of Ascent Energy, LLC for compulsory pooling and approval of an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 12 and the NW/4NW/4 of Section 13, Township 21 South, Range 32 East, NMPM. The unit will be dedicated to the **Big Moose Fed. Com. Well Nos. 505H, 506H, and 604H**, with first take points in the NW/4NW/4 of Section 12 and last take points in the NW/4NW/4 of Section 13. The wellbore of the **Big Moose Fed. Com. Well No. 505H** will be located 1254 feet from the west line of Sections 12 and 13, and applicant requests approval thereof. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 6 miles southeast of Halfway, New Mexico.

45. Case No. 20958: Application of Ascent Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 12 and the NW/4NW/4 of Section 13, Township 21 South, Range 32 East, NMPM. The unit will be dedicated to the **Big Moose Fed. Com. Well No. 707H**, with a first take point in the NW/4NW/4 of Section 12 and a last take point in the NW/4NW/4 of Section 13. 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 southeast of Halfway, New Mexico.

46. Case No. 20959: Application of BTA Oil Producers, LLC for compulsory pooling, Lea County, New Mexico. BTA Oil Producers, LLC seeks an order pooling of all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 35, Township 22

South, Range 34 East, N.M.P.M. and Lot 4 and the SW/4NW/4 of Section 2, Township 23 South, Range 34 East, N.M.P.M. The unit will be dedicated to the **North Ridge 8040 Fed. Com. Well No. 1H**, with a first take point in the NW/4NW/4 of Section 35 and a last take point in the SW/4NW/4 of Section 2. 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 18 miles west- southwest of Eunice, New Mexico.

47. Case No. 20960: Application of BTA Oil Producers, LLC for compulsory pooling, Lea County, New Mexico. BTA Oil Producers, LLC seeks an order pooling of all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 35, Township 22 South, Range 34 East, N.M.P.M. and Lot 3 and the SE/4NW/4 of Section 2, Township 23 South, Range 34 East, N.M.P.M. The unit will be dedicated to the **North Ridge 8040 Fed. Com. Well No. 2H**, with a first take point in the NE/4NW/4 of Section 35 and a last take point in the SE/4NW/4 of Section 2. 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 18 miles west-southwest of Eunice, New Mexico.

48. Case No. 20961: Application of Permian Oilfield Partners, LLC for approval of salt water disposal well in Eddy County, New Mexico. Applicant seeks an order approving disposal into the Devonian-Silurian formation through the **Ramrod Fee SWD #1** well at a surface location 323 feet from the South line and 2,227 feet from the East line of Section 17, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico for the purpose of operating a salt water disposal well. Applicant seeks authority to inject salt water into the Devonian-Silurian formation at a depth of 12,851' to 13,530'. Applicant further seeks approval of the use of 7 inch tubing inside the surface and intermediate casings and 5.5 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.

49. Case No. 20962: Application of Devon Energy Production Company L.P. for a 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 640-acre, more or less, horizontal spacing and proration unit comprised of the W/2 of Sections 20 and 29, Township 23 South, Range 33 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (CRUZ; BONE SPRING [14865]: TRIPLE X; BONE SRPING [59900]) underlying the unit. Said horizontal spacing unit is to be dedicated to the proposed **Danger Noodle 29-20 Fed Com 2H Well**, to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 29 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20. This Well defines the HSU. Also proposed to be drilled are: (1) the **Danger Noodle 29-20 Fed Com 1H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 29 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20; and (2) the **Danger Noodle 29-20 Fed Com 3H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 29 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20. The completed intervals and first take and last take points for all wells proposed in the unit meet the Division's statewide setback requirements for horizontal oil wells; Devon will utilize proximity tracts. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells; downhole commingling; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 3 miles east of Artesia, New Mexico.

50. Case No. 20963: Application of Devon Energy Production Company L.P. for a 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 640-acre, more or less, horizontal spacing and proration unit comprised of the W/2 of Sections 20 and 29, Township 23 South, Range 33 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation (BRINNINSTOOL; WOLFCAMP, WEST [96689]) underlying the unit. Said horizontal spacing unit is to be dedicated to the proposed **Danger Noodle 29-20 Fed Com 6H Well**, to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 29 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20. This Well defines the HSU. Also proposed to be drilled are: (1) the **Danger Noodle 29-20 Fed Com 4H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 29 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20; (2) the **Danger Noodle 29-20 Fed Com 5H Well** proposed to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 29 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20; and (3) the **Danger Noodle 29-20 Fed Com 7H Well** proposed to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 29 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20. The completed intervals and first take and last take points for all wells proposed in the unit meet the Division's statewide setback requirements for horizontal oil wells; Devon will utilize proximity tracts. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells; downhole commingling; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 3 miles east of Artesia, New Mexico.

51. Case No. 20964: Application of Overflow Energy, LLC for Approval of a Salt Water Disposal Well, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division approving drilling of a salt water disposal well and authorizing injecting water for disposal into the Devonian formation [SWD; Devonian (96101)], in Section 27, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. Applicant proposes to drill the **Rita SWD 1** well at a surface location 1876' FNL and 807' FWL of Section 27-T22S-R27E at a depth of 12,900 feet to 14,000 feet. Injection operations through the well will be conducted at an anticipated average daily injection pressure of 2,500 psi, and at a maximum of 2,580 psi. Applicant proposes injection of water at an average daily rate of approximately 20,000 bwpd and at a maximum daily rate of approximately 25,000 bwpd. The source of the injected fluids will be formation water from production wells that have been drilled and are scheduled to be drilled in the area. The well and lands will be located approximately 4 miles southeast of Carlsbad, New Mexico.

52. Case No. 20965: Application of EOG Resources, Inc. for a Gas Capture Pilot Project Involving the Occasional Injection of Produced Gas into the Bone Spring Formation, Lea County, New Mexico. Applicant in the above-styled cause seeks an order authorizing it to engage in a gas capture pilot project in the Leonard Shale interval of the Bone Spring formation by occasionally injecting into its the **Caballo 23 Fed No. 2H Well** (API No. 30-025-40051), a horizontal well located in the E/2 W/2 (Unit C) of Section 23, Township 25 South, Range 33 East, NMPM, in Lea County, New Mexico. This well is currently producing from the Bone Spring formation (Red Hills; Upper Bone Spring Shale Pool [Pool Code 97900]) and dedicated to a standard horizontal well spacing unit comprised of the E/2 W/2 of Section 23. EOG seeks to authority to utilize this producing well to occasionally inject produced gas into the Leonard Shale interval of the Bone Spring formation at a total vertical depth of approximately 9,418 feet to 9,457 feet along the horizontal portion of the wellbore at surface injection pressures of no more than 3,500 psi. The source of the produced gas will be the Bone Spring, Wolfcamp and Atoka formations delivered to the Localized Gas Lift Compressor Station. The subject acreage is located approximately 20 miles west of Jal, New Mexico.

53. Case No. 20966: Application of Kaiser-Francis Oil Company for compulsory pooling, Lea County, New Mexico. Kaiser-Francis Oil Company seeks an order pooling all mineral interests from the top of the First Bone Spring Sand to the base of the Bone Spring formation in a (proximity tract) horizontal spacing unit comprised of Lots 1-4 and the E/2W/2 (the W/2) of Section 31, Township 25 South, Range 33 East, N.M.P.M. and Lots 1-4 and the E/2W/2 (the W/2) of Section 6, Township 26 South, Range 33 East, N.M.P.M. The unit will be dedicated to (i) the **Red Hills Well Nos. 701H and 201H**, with first take points in Lot 1 of Section 31 and last take points in Lot 4 of Section 6, and (ii) the **Red Hills Well Nos. 703H and 203H**, with first take points in the NE/4NW/4 of Section 31 and last take points in the SE/SW/4 of Section 6. 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 24 miles west of Bennett, New Mexico.

54. Case No. 20967: Application of Kaiser-Francis Oil Company for compulsory pooling, Lea County, New Mexico. Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a (proximity tract) horizontal spacing unit comprised of the E/2 of Section 31, Township 25 South, Range 33 East, N.M.P.M. and the E/2 of Section 6, Township 26 South, Range 33 East, N.M.P.M. (excepting the Avalon "D" zone in the W/2E/2 of Section 31 and the W/2E/2 of Section 6, as found in the **Airacuda Fed. Well No. 2H** (API No. 30-025-40407). The unit will be dedicated to (i) the **Red Hills Well Nos. 005H, 705H, and 205H**, with first take points in the NW/4NE/4 of Section 31 and last take points in the SW/SE/4 of Section 6, and (ii) the **Red Hills Well Nos. 006H, 106H, 706H, and 206H**, with first take points in the NE/4NE/4 of Section 31 and last take points in the SE/SE/4 of Section 6. The wellbore of the **Red Hills Well No. 706H** will be located 1050 feet from the east line of Sections 31 and 6. 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 23-1/2 miles west of Bennett, New Mexico.

55. Case No. 20968: Application of Kaiser-Francis Oil Company for compulsory pooling, Lea County, New Mexico. Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a (proximity tract) horizontal spacing unit comprised of the E/2 of Section 31, Township 25 South, Range 33 East, N.M.P.M. and the E/2 of Section 6, Township 26 South, Range 33 East, N.M.P.M. The unit will be dedicated to (i) the **Red Hills Well Nos. 404H, 505H, and 604H**, with first take points in the NW/4NE/4 of Section 31 and last take points in the SW/SE/4 of Section 6, and (ii) the **Red Hills Well Nos. 405H, 406H, 506H, 605H, and 606H**, with first take points in the NE/4NE/4 of Section 31 and last take points in the SE/SE/4 of Section 6. The wellbores of the **Red Hills Well Nos. 405H and 605H** are located 1310 feet from the east line of Sections 31 and 6. 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 23-1/2 miles west of Bennett, New Mexico.

56. Case No. 20969: (This case will be dismissed.)

Application of BTA Oil Producers, LLC for compulsory pooling, Lea County, New Mexico. BTA Oil Producers, LLC seeks an order pooling of all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2SW/4 of Section 2 and the W/2W/2 of Section 11, Township 23 South, Range 34 East, N.M.P.M. The unit will be dedicated to the **South Ridge 8030 State Com. Well No. 1H**, with a first take point in the NW/4SW/4 of Section 2 and a last take point in the SW/4SW/4 of Section 11. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as

operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 19 miles west- southwest of Eunice, New Mexico.

57. Case No. 20970: (This case will be dismissed.)

Application of BTA Oil Producers, LLC for compulsory pooling, Lea County, New Mexico. BTA Oil Producers, LLC seeks an order pooling of all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2SW/4 of Section 2 and the E/2W/2 of Section 11, Township 23 South, Range 34 East, N.M.P.M. The unit will be dedicated to the **South Ridge 8030 State Com. Well No. 2H**, with a first take point in the NE/4SW/4 of Section 2 and a last take point in the SE/4SW/4 of Section 11. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 19 miles west- southwest of Eunice, New Mexico.

58. Case No. 20971: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the N/2N/2 of Section 11 and the N/2N2 of Section 12, Township 21 South, Range 27 East, NMPM. The unit will be dedicated to the **Cholula 11/12 W0DA Fed. Com. Well No. 1H**, a horizontal well a first take point in the NW/4NW/4 of Section 11 and a last take point in the NE/4NE/4 of Section 12. 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 northeast of Carlsbad, New Mexico.

59. Case No. 20972: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the S/2N/2 of Section 11 and the S/2N2 of Section 12, Township 21 South, Range 27 East, NMPM. The unit will be dedicated to the **Cholula 11/12 W0EH Fed. Com. Well No. 2H**, a horizontal well a first take point in the SW/4NW/4 of Section 11 and a last take point in the SE/4NE/4 of Section 12. 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 northeast of Carlsbad, New Mexico.

60. Case No. 20973: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the N/2S/2 of Section 11 and the N/2S2 of Section 12, Township 21 South, Range 27 East, NMPM. The unit will be dedicated to the **Cholula 11/12 W0LI Fed. Com. Well No. 2H**, a horizontal well a first take point in the NW/4SW/4 of Section 11 and a last take point in the NE/4SE/4 of Section 12. 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 5-1/2 miles northeast of Carlsbad, New Mexico.

61. Case No. 20974: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the S/2S/2 of Section 11 and the S/2S2 of Section 12, Township 21 South, Range 27 East, NMPM. The unit will be dedicated to the **Cholula 11/12 W0MP Fed. Com. Well No. 1H**, a horizontal well a first take point in the SW/4SW/4 of Section 11 and a last take point in the SE/4SE/4 of Section 12. 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 5-1/2 miles northeast of Carlsbad, New Mexico.

62. Case No. 20975: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2NE/4 of Section 29 and the N/2N/2 of Section 28, Township 18 South, Range 29 East, NMPM. The unit will be dedicated to the **Pavo Frio 29/28 B3BA Fed. Com. Well No. 1H**, with a first take point in the NW/4NE/4 of Section 29 and a final take point in the NE/4NE/4 of Section 28. 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 9-1/2 miles southwest of Loco Hills, New Mexico.

63. Case No. 20976: Application of Marathon Oil Permian LLC to Re-Open Case No. 16144, Lea County, New Mexico. Applicant seeks to re-open Case No. 16144 for the limited purpose of including additional pooled parties in the single, consolidated order Marathon previously requested covering the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles northwest of Jal, New Mexico.

64. Case No. 20977: Application of Marathon Oil Permian LLC to Re-Open Case No. 16145, Lea County, New Mexico. Applicant seeks to re-open Case No. 16145 for the limited purpose of including additional pooled parties in the single, consolidated order Marathon previously requested covering the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles northwest of Jal, New Mexico.

65. Case No. 20978: Application of Marathon Oil Permian LLC to Re-Open Case No. 16146, Lea County, New Mexico. Applicant seeks to re-open Case No. 16146 for the limited purpose of including additional pooled parties in the single, consolidated order Marathon previously requested covering the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles northwest of Jal, New Mexico.