

DOCKET: OIL CONSERVATION DIVISION HEARINGS - Thursday, November 20, 2025

9:00 a.m. - 1220 South St. Francis, Santa Fe, New Mexico 87505
and via MS Teams (login information below)

Virtual Attendance:

Click [HERE](#) to be connected to the meeting.

Dial-in by phone:

(505) 312-4308

Phone conference ID: 825 223 315#

NOTICE: The hearing examiner may call the following cases in any order at their discretion.

	Case Number	Description
1.	25595	Application of MRC Permian LKE Company LLC for Approval of a Standard Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the E/2 of Section 25, Township 19 South, Range 33 East, Lea County, New Mexico; and (b) pooling the uncommitted interest owners in this acreage. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed Dick Jones Federal Com 139H u-turn well, to be horizontally drilled from a surface location in the S/2 SE/4 of Section 25, with a first take point in the SE/4 SE/4 (Unit P) of Section 25 and a last take point in the SW/4 SE/4 (Unit O) of Section 25. This proposed standard horizontal well spacing unit will overlap the following existing horizontal well spacing units in the Bone Spring formation (Apache Ridge; Bone Spring [2260]): • An existing 40-acre spacing unit in the Bone Spring formation underlying the NW/4 SE/4 (Unit J) of Section 25, T19S-R33E, currently dedicated to the Smith 1H (30-025-27705), operated by Cimarex Energy Co. of Colorado; and • An existing 40-acre spacing unit in the Bone Spring formation underlying the SE/4 SE/4 (Unit P) of Section 25, T19S-R33E, currently dedicated to the Smith 2H (30-025-38952), operated by Cimarex Energy Co. of Colorado. Also, to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the proposed well. The subject area is located approximately 17 miles southwest of Arkansas Junction, New Mexico. Setting: Status Conference Joined with Cases: 25596, 25717, 25718
2.	25596	Application of MRC Permian LKE Company LLC for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the E/2 of Section 25, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Dick Jones Federal Com 229H u-turn well, with a surface location in the S/2 SE/4 of Section 25, a first take point in the SW/4 SE/4 (Unit O) of Section 25, and a last take point in the SE/4 SE/4 (Unit P) of Section 25. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 17 miles southwest of Arkansas Junction, New Mexico. Setting: Status Conference Joined with Cases: 25595, 25717, 25718
3.	25717	Application of Earthstone Permian, LLC for Compulsory Pooling and Approval of Overlapping Spacing Unit, Lea County, New Mexico. Applicant seeks an order pooling all

		uncommitted interests in the Bone Spring formation underlying a 960-acre, more or less, standard overlapping horizontal spacing unit comprised of the E/2 of Sections 13, 24 and 25, Township 19 South, Range 33 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): Koresh 13-25 Fed Com 131H and Koresh 13-25 Fed Com 132H, which will produce from first take points located in the NW/4 NE/4 (Unit B) of Section 13 to last take points located in the SW/4 SE/4 (Unit O) of Section 25; and Koresh 13-25 Fed Com 133H, which will produce from a first take point located in the NE/4 NE/4 (Unit A) of Section 13 to a last take point located in the SE/4 SE/4 (Unit P) of Section 25. The completed interval of the Wells will be orthodox. The completed interval of the Koresh 13-25 Fed Com 132H well will be located within 330' of the quarter-quarter section line separating the W/2 E/2 and E/2 E/2 of Sections 13, 24 and 25 to allow for the creation of a 960-acre standard, horizontal spacing unit. A depth severance exists within the Unit. Therefore, Earthstone Permian seeks to pool only those uncommitted interests from the top of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,230' TVD, to the base of the Third Bone Spring formation at a stratigraphic equivalent of approximately 10,770' TVD, as found on the Sagebrush 24 Fed Com 001 (API No. 30-025-34676). The spacing unit for the Wells partially overlaps with the spacing units for the following wells, which produce from the Gem; Bone Spring, East Pool (Code 27230): Stetson 13 24 1BS Federal Com #005H (API No. 30-025-45515) located in the W/2 E/2 of Sections 13 and 24, Township 19 South, Range 33 East; Stetson 13 24 1BS Federal Com #006H (API No. 30-025-45499) located in the E/2 E/2 of Section 13 and the E/2 NE/4 and NE/4 SE/4 of Section 24, Township 19 South, Range 33 East; Stetson 13 24 2BS Federal Com #010H (API No. 30-025-50265) located in the W/2 E/2 of Sections 13 and 24, Township 19 South, Range 33 East; and Stetson 13 24 2BS Federal Com #011H (API No. 30-025-50266) located in the E/2 E/2 of Sections 13 and 24, Township 19 South, Range 33 East. Additionally, the spacing unit for the Wells will partially overlap with the spacing units for the following wells, which produce from the Apache Ridge; Bone Spring Pool (Code 2260): Smith #001H (API No. 30-025-27705) located in the NW/4 SE/4 of Section 25, Township 19 South, Range 33 East; and Smith #002H (API No. 30-025-38952) located in the SE/4 SE/4 of Section 25, Township 19 South, Range 33 East. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Earthstone Operating, LLC as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 28 miles west of Hobbs, New Mexico. Setting: Status Conference Joined with Cases: 25595, 25596, 25718
4.	25718	Application of Earthstone Permian, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a 960-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 13, 24 and 25, Township 19 South, Range 33 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): Koresh 13-25 Fed Com 201H and Koresh 13-25 Fed Com 601H, which will produce from first take points located in the NW/4 NE/4 (Unit B) of Section 13 to last take points located in the SW/4 SE/4 (Unit O) of Section 25; and Koresh 13-25 Fed Com 202H and Koresh 13-25 Fed Com 602H which will produce from first take points located in the NE/4 NE/4 (Unit A) of Section 13 to last take points located in the SE/4 SE/4 (Unit P) of Section 25. The completed interval of the Wells will be orthodox. The completed interval of the Koresh 13-25 Fed Com 601H well will be located within 330' of the quarter-quarter section line separating the W/2 E/2 and E/2 E/2 of Sections 13, 24 and 25 to allow for the creation of a 960-acre standard, horizontal spacing unit. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Earthstone Operating, LLC as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 28 miles west of Hobbs, New Mexico. Setting: Status Conference Joined with Cases: 25595, 25596, 25717
5.	25602	Application of Waterloo Resources LLC for Approval of a 1,276.76-acre Overlapping Non-Standard Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a 1,276.76-acre, more or less, overlapping non-standard horizontal well spacing unit in the Bone Spring formation underlying Lots 1-4 (W/2 W/2 equivalent), E/2 W/2, and the E/2 of irregular Section 19, and all of

		Section 20, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and (b) pooling all uncommitted interest owners in this acreage. This spacing unit will be initially dedicated to the following proposed wells: (1) Wave Race Fed Com 111H well, to be drilled from a surface location approximately in the SW/4 NW/4 (Unit E) and SE/4 NW/4 (Unit F) of Section 21, to a bottom hole location in Lot 1 (NW/4 NW/4 equivalent) of Section 19; (2) Wave Race Fed Com 112H well, to be drilled from a surface location approximately in the SW/4 NW/4 (Unit E) and SE/4 NW/4 (Unit F) of Section 21, to a bottom hole location in Lot 2 (SW/4 NW/4 equivalent) of Section 19; (3) Wave Race Fed Com 113H well, to be drilled from a surface location approximately in the SW/4 NW/4 (Unit E) and SE/4 NW/4 (Unit F) of Section 21, to a bottom hole location in Lot 3 (NW/4 SW/4 equivalent) of Section 19; (4) Wave Race Fed Com 114H well, to be drilled from a surface location approximately in the SW/4 NW/4 (Unit E) and SE/4 NW/4 (Unit F) of Section 21, to a bottom hole location in Lot 4 (SW/4 SW/4 equivalent) of Section 19; (5) Wave Race Fed Com 121H well, to be drilled from a surface location approximately in the SW/4 NW/4 (Unit E) and SE/4 NW/4 (Unit F) of Section 21, to a bottom hole location in Lot 1 (NW/4 NW/4 equivalent) of Section 19; (6) Wave Race Fed Com 122H well, to be drilled from a surface location approximately in the SW/4 NW/4 (Unit E) and SE/4 NW/4 (Unit F) of Section 21, to a bottom hole location in Lot 2 (SW/4 NW/4 equivalent) of Section 19; (7) Wave Race Fed Com 123H well, to be drilled from a surface location approximately in the SW/4 NW/4 (Unit E) and SE/4 NW/4 (Unit F) of Section 21, to a bottom hole location in Lot 3 (NW/4 SW/4 equivalent) of Section 19; and (8) Wave Race Fed Com 124H well, to be drilled from a surface location approximately in the SW/4 NW/4 (Unit E) and SE/4 NW/4 (Unit F) of Section 21, to a bottom hole location in Lot 4 (SW/4 SW/4 equivalent) of Section 19. The proposed spacing unit also overlaps the following existing spacing units in the Bone Spring formation: (1) a 195.94-acre horizontal well spacing unit comprised of Lot 1 (39.17 acres), Lot 2 (39.18 acres), Lot 3 (39.20 acres), and Lot 4 (39.21 acres) of Section 19, and Lot 4 (39.18 acres) of Section 18, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, operated by Marathon Oil Permian LLC and dedicated to the Parkway 19 18 Federal Com 1H (30-015-42545); (2) a 160.00-acre horizontal well spacing unit comprised of the W/2 E/2 of Section 19, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, operated by EOG Resources Inc. and dedicated to the Antweil ANU Federal 3H (30-015-40523). Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 18 miles northeast of Carlsbad, New Mexico. Setting: Status Conference
6.	25610	Application of Powderhorn Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interest within the Wolfcamp formation, designated as a gas pool (Purple Sage Wolfcamp [Gas] Pool Code 98220), underlying a 959.60-acre, more or less, standard horizontal well spacing unit comprised of the E/2 of Section 3 and all of Section 2, located in Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico (the "Unit"). The Unit will be dedicated to the following wells: Super Hornet State Com 401H, a gas well that will be horizontally drilled from a surface hole location 2550' FEL & 1,380' FNL of Section 3, to a bottom hole location 100' FEL & 990' FNL of Section 2, Township 24 South, Range 26 East; Super Hornet State Com 402H, a gas well that will be horizontally drilled from a surface hole location 2550' FEL & 1,410' FNL of Section 3, to a bottom hole location 100' FEL & 2,330' FNL of Section 2, Township 24 South, Range 26 East; Super Hornet State Com 403H, a gas well that will be horizontally drilled from a surface hole location 2535' FEL & 1,380' FSL of Section 3, to a bottom hole location 100' FEL & 1,650' FSL of Section 2, Township 24 South, Range 26 East; Super Hornet State Com 404H, a gas well that will be horizontally drilled from a surface hole location 2535' FEL & 1,350' FSL of Section 3, to a bottom hole location 100' FEL & 330' FSL of Section 2, Township 24 South, Range 26 East. The wells will be horizontally drilled and located within the Purple Sage Wolfcamp Gas Pool (Code 98220). This pool is subject to special pool rules that establish 330-foot setback requirements, and the Wells will have non-standard first and last take points. The completed interval of the Wells will remain within 330 feet of the adjoining half-section tracts, allowing inclusion of these proximity tracts within the proposed Unit under NMAC 19.15.16.15(B)(4). Also, to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells and Unit, and a 200% charge for the risk involved in drilling and completing the Wells against any working interest owner who does not voluntarily

		participate. The Wells are located approximately 8.9 miles south of Carlsbad, New Mexico. Setting: Status Conference
7.	25638	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard, horizontal spacing unit comprised of the W/2 W/2 of Section 10, Township 26 South, Range 32 East, and the W/2 W/2 of Section 34, Township 25 South, Range 32 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Red Hills West Unit Com 40H well ("Well"), which will be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 10, Township 26 South, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 34, Township 25 South. The completed 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, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 28 miles southwest of Jal, New Mexico. Setting: Status Conference Joined with Cases: 25641
8.	25641	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 960-acre, more or less, non-standard, horizontal spacing unit comprised of the W/2 of Sections 3 and 10, Township 26 South, Range 32 East, and the W/2 of Section 34, Township 25 South, Range 32 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): Red Hills West Unit Com 35H and Red Hills West Unit Com 41H wells, which will be drilled from surface hole locations in the SW/4 SW/4 (Unit M) of Section 10, Township 26 South, to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 34, Township 25 South; and Red Hills West Unit Com 36H, Red Hills West Unit Com 37H, and Red Hills West Unit Com 38H wells, which will be drilled from surface hole locations in the SW/4 SW/4 (Unit M) of Section 10, Township 26 South, to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 34, Township 25 South. The completed intervals of the Wells will be orthodox. Applicant is separately seeking administrative approval of the non-standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 28 miles southwest of Jal, New Mexico. Setting: Status Conference Joined with Cases: 25638
9.	25667	Application of Sarvis Permian Land Fund I SC, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted mineral owners in a standard 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the S/2 of Section 29 and the SE/4, E/2 SW/4 and Lots 3-4 (S/2 equivalent) of irregular Section 30, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico. This spacing unit will be initially dedicated to the Messino 29 Federal Com 701H well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 29, and a bottom hole location in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 30; and Messino 29 Federal Com 702H well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 29, and a bottom hole location in Lot 3 (NW/4 SW/4 equivalent) of irregular Section 30. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, the 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 approximately 6 miles southwest of Carlsbad, New Mexico. Setting: Status Conference Joined with Cases: 25669
10.	25669	Application of Sarvis Permian Land Fund I SC, LLC for Compulsory Pooling, Eddy

		County, New Mexico. Applicant seeks an order pooling all uncommitted mineral owners in a standard 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the N/2 of Section 29 and the NE/4, E/2 NW/4 and Lots 1-2 (N/2 equivalent) of irregular Section 30, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico. This spacing unit will be initially dedicated to the Messino 29 Federal Com 703H well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 29, and a bottom hole location in Lot 2 (SW/4 NW/4 equivalent) of irregular Section 30; and Messino 29 Federal Com 704H well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 29, and a bottom hole location in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 30. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, the 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 approximately 6 miles southwest of Carlsbad, New Mexico. Setting: Status Conference Joined with Cases: 25667
11.	25698	Application of Chase Oil Corporation for Compulsory Pooling, Eddy and Lea Counties, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Yeso formation underlying a standard 240.65-acre, more or less, horizontal well spacing unit comprised of the S/2 SE/4 of Section 36, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico, and Lot 4, SE/4 SW/4, and S/2 SE/4 (S/2 S/2 equivalent) of irregular Section 31, Township 16 South, Range 32 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Devils Tower State Com 1H and Devils Tower State Com 2H wells, both to be horizontally drilled from surface locations in the SE/4 SW/4 (Unit N) of Section 36, T16S-R31E, with first take points in the SW/4 SE/4 (Unit O) of Section 36, T16S-R31E, and last take points in the SE/4 SE/4 (Unit P) of irregular Section 31, T16S-R32E. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Mack Energy Corporation as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 3 miles northwest of Maljamar, New Mexico. Setting: Status Conference
12.	25708	Application of Admiral Permian Operating LLC for Compulsory Pooling and Approval of Non-Standard Horizontal Spacing Unit, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Section 18, Township 23 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Carrasco Estates Fee Unit 121H, Carrasco Estates Fee Unit 221H, and Carrasco Estates Fee Unit 301H U-turn wells ("Wells"), which will be drilled from surface hole locations in the SE/4 SE/4 (Unit P) of Section 18 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 18. The completed intervals of the Wells will be orthodox. Admiral requests approval of a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5) NMAC, which will create cost efficiencies, prevent waste, and protect correlative rights. Also to be considered will be the cost of drilling and completing the Wells, the allocation of the costs, the designation of Applicant as operator of the Wells and the Unit, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 2 miles northwest of Loving, New Mexico. Setting: Status Conference Joined with Cases: 25709
13.	25709	Application of Admiral Permian Operating LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a 480-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 17 and E/2 of Section 18, Township 23 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the following U-turn wells ("Wells"): Carrasco Estates Fee Unit 401H, which will be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 18 to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 17; and Carrasco

		Estates Fee Unit 421H, which will be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 18 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 18. The completed intervals of the Wells will be orthodox. Admiral requests approval of a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5) NMAC, which will create cost efficiencies, prevent waste, and protect correlative rights. Also to be considered will be the cost of drilling and completing the Wells, the allocation of the costs, the designation of Applicant as operator of the Wells and the Unit, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 2 miles northwest of Loving, New Mexico. Setting: Status Conference Joined with Cases: 25708
14.	25722	Application of Powderhorn Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant applies for an order pooling all uncommitted interests in the Wolfcamp formation underlying a 1,920-acre, more or less, standard horizontal spacing unit comprised of Sections 35 and 36, Township 24 South, Range 25 East, and Section 31, Township 24 South, Range 26 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to Shale Ale Fed Com 401H and Shale Ale Fed Com 501H, which will produce from first take points located in the NW/4 NW/4 (Unit D) of Section 35 to last take points located in the NE/4 NE/4 (Unit A) of Section 31; Shale Ale Fed Com 402H and Shale Ale Fed Com 502H, which will produce from first take points located in the SW/4 NW/4 (Unit E) of Section 35 to last take points located in the SE/4 NE/4 (Unit H) of Section 31; Shale Ale Fed Com 403H and Shale Ale Fed Com 503H, which will produce from first take points located in the NW/4 SW/4 (Unit L) of Section 35 to last take points located in the NE/4 SE/4 (Unit I) of Section 31; and Shale Ale Fed Com 404H and Shale Ale Fed Com 504H, which will produce from first take points located in the SW/4 SW/4 (Unit M) of Section 35 to last take points located in the SE/4 SE/4 (Unit P) of Section 31. The completed intervals of the Wells will be orthodox. The completed interval of the Shale Ale Fed Com 402H well will be located within 330' of the half-section line separating the N/2 and S/2 of Sections 35 and 36 of Township 24 South, Range 35 East, and the N/2 and S/2 of Section 31, Township 24 South, Range 26 East, to allow for the creation of a 1,920-acre standard, horizontal spacing unit. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant 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 ½ mile east of Whites City, Eddy County, New Mexico. Setting: Status Conference