

**DOCKET: EXAMINER HEARING - THURSDAY-APRIL 5, 2018**

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

Docket Nos. 16-18 and 17-18 are tentatively set for May 3, 2018 and May 17, 2018. Applications for hearing must be filed at least thirty (30) days in advance of the hearing date. OCD Rule Subsection B of 19.15.4.13 NMAC requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued. A party who plans on using projection equipment at a hearing must contact Florene Davidson, seven (7) business days prior to the hearing, requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer. The following cases will be heard by an Examiner.

***Locator Key for Cases***

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*Case 16071 - No. 43*  
*Case 16072 - No. 44*  
*Case 16073 - No. 45*  
*Case 16074 - No. 46*  
*Case 16075 - No. 47*

1. **Case No. 15999:** (Continued from the March 22, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order to create a non-standard spacing and proration unit covering the Bone Spring formation, which is comprised of the W/2 E/2 of Section 11, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico, and the pooling of all uncommitted mineral interests located within the proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Urraca Federal Com 23 32 11 SB 15H well**, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 26 miles east northeast of Malaga, New Mexico.

2. **Case No. 16000:** (Continued from the March 22, 2018 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling Lea County, New Mexico.** Applicant seeks an order to create a non-standard spacing and proration unit covering the Bone Spring formation, which is comprised of the E/2 E/2 of Section 11, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico, and the pooling of all uncommitted mineral interests located within the proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Urraca Federal Com 23 32 11 SB 22H well**, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 26 miles east northeast of Malaga, New Mexico.

3. **Case No. 16015:** (Continued from the March 22, 2015 Examiner Hearing.)

**Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling Lea County, New Mexico.** Applicant seeks an order to create a non-standard spacing and proration unit covering the Bone Spring formation, which is comprised of the E/2 W/2 of Section 11, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico and the pooling of all uncommitted mineral interests located within the proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Urraca Federal Com 23 32 11 AV 24H well**, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 26 miles east northeast of Malaga, New Mexico.

4. **Case No. 16050:** **Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the S/2 S/2 of Section 5, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Hambone Federal 26-29-5 TB 2H** and **Hambone Federal 26-29-5 SB 6H wells**, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 11.5 miles south of Malaga, New Mexico.

5. **Case No. 16051:** **Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) pooling all mineral interests in the Wolfcamp formation underlying the standard 320-acre, more or less, spacing and proration unit comprised of the S/2 of Section 5, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. This proposed standard spacing and proration unit will be the project area for the **Hambone Federal 26-29-5 WB 3H** and **Hambone Federal 26-29-5 WD 4H wells**, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 11.5 miles south of Malaga, New Mexico.

6. **Case No 15969:** (Continued from the March 8, 2018 Examiner Hearing.)

**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 24 and the E/2 W/2 of Section 25, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's two proposed initial wells: the proposed **Road Runner Fed Com No. 3H Well** and the proposed **Road Runner Fed Com No. 13H Well**, which will be drilled and simultaneously completed. These wells are stacked laterals and will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 25 to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 24. The completed interval for each well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG

Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 10 miles southeast of White City, New Mexico.

7. **Case No. 16028:** (Continued from the March 22, 2018 Examiner Hearing.)

**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 17 and the W/2 W/2 of Section 20, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's **Bonaid Fed Com No. 15H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 17 to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 20. The completed interval for this well is within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northwest of Jal, New Mexico.

8. **Case No. 16052:** **Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 320-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Sections 22 and 27, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Avion Federal Com Well No. 301H**, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 22 to a bottomhole location in the SE/4 SE/4 (Unit P) of Section 27. 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 COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 30 miles northwest of Jal, New Mexico.

9. **Case No. 16053:** **Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 323.84-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Helms Federal 1F** (API No. 30-045-34049) in the Mesaverde formation with a surface location in Unit L of the W/2 of Section 22, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Helms Federal 1F Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 5 miles southeast of Aztec, NM.

10. **Case No. 16054:** **Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules of the Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule 7(d) of the Special Rules for the Basin-Fruitland Coal Gas Pool (71629), San Juan County, New Mexico, to permit it to complete and simultaneously produce three Fruitland coal gas wells in the same standard 320-acre, more or less, spacing and proration unit, and two wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Koch State Com 1A** (API No. 30-045-21787) in the Fruitland coal formation with a surface location in Unit I of the S/2 of Section 36, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Koch State Com 1A from the Basin-Fruitland Coal Gas Pool. Said area is located approximately 14 miles east of Bloomfield, NM.

11. **Case No. 16055:** **Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 320-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-6 Unit 127** (API No. 30-039-20069) in the Mesaverde formation with a surface location in Unit H of the E/2 of Section 20, Township 28 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-6 Unit 127 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM.

12. **Case No. 16056:** **Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 320-acre, more or less, spacing and proration unit, three wells within the same quarter

section, and two wells in the same quarter-quarter section (Unit K). Hilcorp further seeks approval for the proposed location of the **San Juan 28-7 Unit 258** (API No. 30-039-21735) in the Mesaverde formation with a surface location in Unit K of the W/2 of Section 23, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-7 Unit 258 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 22 miles east of Bloomfield, NM.

**13. Case No. 16007:** (Continued from the March 8, 2018 Examiner Hearing.)

**Application of OXY USA Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 640-acre non-standard spacing and proration unit comprised of the N/2 of Section 1 and the N/2 of Section 2, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be the project area for three proposed initial wells, to be drilled and simultaneously completed: the proposed **Corral Fly "02-01" State No. 31H Well**, the proposed **Corral Fly "02-01" State No. 32H Well**, and the proposed **Corral Fly "02-01" State No. 33H Well**. The three proposed horizontal wells will be pad drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 2. The **Corral Fly "02-01" State No. 31H Well** has a standard bottom hole location in the NE/4 NE/4 (Lot 4) of Section 1. The **Corral Fly "02-01" State No. 32H Well** and the **Corral Fly "02-01" State No. 33H Well** have standard bottom hole locations in the SE/4 NE/4 (Unit H) of Section 1. The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220). Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA Inc. as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 9 miles southeast of Malaga, N.M.

**14. Case No. 16008:** (Continued from the March 8, 2018 Examiner Hearing.)

**Application of OXY USA Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 640-acre non-standard spacing and proration unit comprised of the S/2 of Section 1 and the S/2 of Section 2, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be the project area for two proposed initial wells, to be drilled and simultaneously completed: the proposed **Corral Fly "02-01" State No. 34H Well** and the proposed **Corral Fly "02-01" State No. 35H Well**. The two proposed horizontal wells will be pad drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 2. The **Corral Fly "02-01" State No. 34H Well** has a standard bottom hole location in the NE/4 SE/4 (Unit I) of Section 1. The **Corral Fly "02-01" State No. 35H Well** will have a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 1. The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220). Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA Inc. as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 9 miles southeast of Malaga, N.M.

**15. Case No. 16036:** (Continued from the March 22, 2018 Examiner Hearing.)

**Application of OneEnergy Partners Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 320.87-acre, more or less, non-standard spacing and proration unit comprised of the E/2 W/2 of Section 2 and the E/2 W/2 of Section 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. Said spacing and proration unit is to be dedicated to applicant's proposed **Blue Ribbon WCA Fed Com 1H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Lot 3) of Section 2 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 11. The completed interval for this well will remain within the 330-foot standard offset required by the Statewide Rules set forth in 18.15.15 NMAC. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OneEnergy Partners Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles west of Jal, New Mexico.

**16. Case No. 16037:** (Continued from the March 22, 2018 Examiner Hearing.)

**Application of OneEnergy Partners Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 320.91-acre, more or less, non-standard spacing and proration unit comprised of the W/2 W/2 of Section 2 and the W/2 W/2 of Section 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. Said spacing and proration unit is to be dedicated to applicant's proposed **County Fair WCA Fed Com 1H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 2 to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 11. The completed interval for this well will remain within the 330-foot standard offset required by the Statewide Rules set forth in 18.15.15 NMAC. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OneEnergy Partners Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said

well. Said area is located approximately 8 miles west of Jal, New Mexico.

17. **Case No. 16057: Application of OXY USA Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 480-acre non-standard spacing and proration unit comprised of the E/2 of Section 20 and the SE/4 of Section 17, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit will be the project area for three proposed initial wells, to be drilled and simultaneously completed: the **Cedar Canyon “20” Federal Com 24H Well**, the **Cedar Canyon “20” Federal Com 25H Well**, and the **Cedar Canyon “20” Federal Com 26H Well**. These three proposed horizontal wells will be pad drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 29, Township 24 South, Range 29 East, NMPM, to bottom hole locations in the NW/4 SE/4 (Unit J) and the NE/4 SE/4 (Unit I) of Section 17, Township 24 South, Range 29 East, NMPM. The completed intervals for the **Cedar Canyon “20” Federal Com 24H Well**, the **Cedar Canyon “20” Federal Com 25H Well**, and the **Cedar Canyon “20” Federal Com 26H Well** will be at unorthodox locations because they are closer to the northern boundary of the proposed spacing and proration unit than allowed by the Division’s setback requirements for the Pierce Crossing; Bone Spring, East Pool (Pool Code 96473). Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA Inc. as operator of the wells and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles east of Malaga, N.M.

18. **Case No. 16058: Application Of Oxy USA Inc. For Alternative Non-Standard Spacing And Proration Units, Approval Of A Non-Standard Project Area As Needed And Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 320-acre non-standard spacing and proration unit comprised of the W/2 W/2 of Section 35 and the W/2 W/2 of Section 26, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. *In the alternative*, Oxy seeks an order (1) creating a 280-acre non-standard spacing and proration unit comprised of the W/2 W/2 of Sections 35 and the W/2 SW/4 and the SW/4 NW/4 of Section 26, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; (2) approving a non-standard project area comprised of this acreage; and (3) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said alternative non-standard spacing and proration units will be the project area for the proposed **Corral Fly “35-26” Federal Com 21H Well** to be drilled from a surface location in the Lot 4 (NW/4 NW/4 equivalent) of Section 2 to *either* a bottom hole location in the NW/4 NW/4 (Unit D) of Section 26 or, *in the alternative*, the SW/4 NW/4 (Unit E) of Section 26. The completed interval for this will remain within the 330-foot standard offset required by the Pierce Crossing Bone Spring, East Pool (Pool Code 96473). Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, the actual operating costs and charges for supervision, designation of OXY USA Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 9 miles southeast of Malaga, N.M.

19. **Case No. 16059: Application of OXY USA Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 320-acre non-standard spacing and proration unit comprised of the E/2 W/2 of Sections 26 and 35, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit will be the project area for two proposed initial wells, to be drilled and simultaneously completed: The **Corral Fly “35-26” Federal Com 22H Well** and the **Corral Fly “35-26” Federal Com 23H Well**. These two proposed horizontal wells will be pad drilled from a surface location in Lot 4 (NW/4 NW/4 equivalent) of Section 2, Township 25 South, Range 29 East, NMPM, to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 26, Township 24 South, Range 29 East, NMPM. The completed interval for the **Corral Fly “35-26” Federal Com 22H Well** will be at an unorthodox location while the completed interval for the **Corral Fly “35-26” Federal Com 23H Well** will comply with the Division’s setback requirements for the Pierce Crossing; Bone Spring, East Pool (Pool Code 96473). Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA Inc. as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 9 miles southeast of Malaga, N.M.

20. **Case No. 16060: Application of XTO Energy Inc. for creation of non-standard spacing and proration units and compulsory pooling, Eddy County, New Mexico.** Applicant, as agent of BOPCO, L.P., seeks an order (1) creating a non-standard 80-acre spacing and proration unit comprised of the W/2 SW/4 of Section 26, Township 24 South, Range 30 East, NMPM; (2) combining this acreage with the S/2 of Section 27 and the S/2 of Section 28 in Township 24 South, Range 30 East to create a 720-acre non-standard spacing and proration unit for a horizontal well, and (3) pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) Pool, (Code 98220)) underlying this acreage. Said non-standard 720-acre unit is to be dedicated as the project area for the proposed **Poker Lake Unit Well No. 486H** to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit M) of Section 26 to a bottom hole location in the SE/4 SE/4 (Unit M) of Section 28, Township 24 South, Range 30 East. The completed interval for this well will include acreage in Section 26 and remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Wolfcamp (Gas) Pool. Also to be considered will be the cost of drilling and completing said well, the allocation of the cost thereof, the actual operating costs and charges for supervision, designation of BOPCO, L.P. as operator of the well and a 200% charge for risk involved in drilling said well. This area is located approximately

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27 miles southeast of Carlsbad, New Mexico.

**21. Case No. 15962:** *(Continued from the March 8, 2018 Examiner Hearing.)*

**Application of Caza Petroleum, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Caza Petroleum, LLC seeks an order approving a non-standard 240-acre spacing and proration unit in the Bone Spring formation comprised of the W/2 SW/4 of Section 8 and the W/2 W/2 of Section 17, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The non-standard unit will be dedicated to applicant's **Desert Rose 17-8 Fed. Com. Well No. 1H**, to be horizontally drilled from a surface location in the SW/4 SW/4 of Section 17 to a bottom hole location in the NW/4 SW/4 of Section 8. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Caza Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling the well. The unit is located approximately 14 miles west-southwest of Monument, New Mexico.

**22. Case No. 16032:** *(Continued from the March 22, 2018 Examiner Hearing.)*

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 154.28-acre, more or less, non-standard spacing and proration unit comprised of the W/2 W/2 of Section 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests underlying the non-standard spacing and proration unit in the Bone Spring formation. Said spacing and proration unit is to be dedicated to applicant's proposed **Airstrip 31 18 35 RN State Com No. 131H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Lot 4) to a standard bottom hole location in the NW/4 NW/4 (Lot 1) of Section 31. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles west of Hobbs, NM.

**23. Case No. 16033:** *(Continued from the March 22, 2018 Examiner Hearing.)*

**Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 160.53-acre, more or less, non-standard spacing and proration unit comprised of the W/2 E/2 of Section 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests underlying the non-standard spacing and proration unit in the Bone Spring formation. Said spacing and proration unit is to be dedicated to applicant's proposed **Airstrip 31 18 35 RN State Com No. 133H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 31. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles west of Hobbs, NM.

**24. Case No. 16034:** *(Continued from the March 22, 2018 Examiner Hearing.)*

**Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation underlying a 320.79-acre, more or less, spacing and proration unit comprised of the S/2 of Section 20, Township 20 South, Range 29 East, Eddy County, New Mexico. Said spacing and proration unit is to be dedicated to applicant's proposed **Stebbins 20 Fed No. 204H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) to a non-standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 20. The completed interval for this well is unorthodox because it does not comply with the 660-foot setbacks for gas wells pursuant to the statewide rules. The Division has previously authorized the unorthodox location under Administrative Order NSL-7615. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northeast of Carlsbad, NM.

**25. Case No. 15602 (re-opened): Application of Mewbourne Oil Company to re-open Case No. 15602 for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 15, Township 23 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 W/2 of Section 15. The unit will be dedicated to the **Pronghorn 15 B3CN Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NE/4 NW/4, and a terminus in the SE/4 SW/4, of Section 15. 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 southwest of Oil Center, New Mexico.

26. **Case No. 16061: Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 177.24-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of Lots 1-4 (the W/2 W/2) of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 121H**, a horizontal well with a surface location in Lot 1, and a terminus in Lot 4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

27. **Case No. 16062: Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 132H**, a horizontal well with a surface location in the NE/4 NW/4, and a terminus in the SE/4 SW/4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

28. **Case No. 16063: Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 E/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 133H**, a horizontal well with a surface location in the NW/4 NE/4, and a terminus in the SW/4 SE/4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

29. **Case No. 16064: Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 134H**, a horizontal well with a surface location in the NE/4 NE/4, and a terminus in the SE/4 SE/4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

30. **Case No. 16065: Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 177.24-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of Lots 1-4 (the W/2 W/2) of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 211H**, a horizontal well with a surface location in Lot 1, and a terminus in Lot 4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

31. **Case No. 16066: Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 W/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 212H**, a horizontal well

with a surface location in the NE/4 NW/4, and a terminus in the SE/4 SW/4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

32. **Case No. 16067:** *Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 E/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 213H**, a horizontal well with a surface location in the NW/4 NE/4, and a terminus in the SW/4 SE/4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

33. **Case No. 16068:** *Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 E/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the **Laurie Wyman Fed. Com. Well No. 214H**, a horizontal well with a surface location in the NE/4 NE/4, and a terminus in the SE/4 SE/4, of Section 7. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south of the intersection of State Highway 176 and U.S. Highway 62/180.

34. **Case No. 16069:** *Application of LOGOS Resources II, LLC for extension of authorization to operate the Rosa Unit Recycling and Containment Facility and for exception from the closure requirements of NMAC 19.15.34.14, Rio Arriba County, New Mexico.* Applicant seeks an order providing as follows: (1) Extending the period for the effective date of a determination of cessation of operations of its Rosa Unit Recycling and Containment Facility (3RF-3) and providing for the administrative approval of such additional extensions as the Division determines reasonable and appropriate; and (2) Suspension of the Closure and Site Reclamation Requirements for Recycling Containments under Rule 19.15.34.14(A) for such period or periods commensurate with extensions for determinations of cessation of operations. The Facility is located in Section 30, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. The subject lands are located approximately 33 miles east of Aztec, New Mexico.

35. **Case No. 16040:** *(Continued from the March 22, 218 Examiner Hearing.)*  
***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Cano Petro of New Mexico, Inc., for Wells Operated in Chaves and Roosevelt Counties, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Cano Petro of New Mexico, Inc. ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

36. **Case No. 16041:** *(Continued from the March 22, 2018 Examiner Hearing.)*  
***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Ram Energy LLC, for Wells Operated in Lea County, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Ram Energy LLC, ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).



37. **Case No. 16042:** (Continued from the March 22, 2018 Examiner Hearing.)

***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Westbrook Oil Corporation, for Wells Operated in Lea and Eddy Counties, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Westbrook Oil Corporation, (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

38. **Case No. 16043:** (Continued from the March 22, 2018 Examiner Hearing.)

***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Dwight A. Tipton, for Wells Operated in Chaves and Lea Counties, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Dwight A. Tipton, (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

39. **Case No. 16046:** (Continued from the March 22, 2018 Examiner Hearing.)

***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Bar V Barb, LLC, for Wells Operated in Chaves County, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Bar V Barb, LLC, (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

40. **Case No. 16047:** (Continued from the March 22, 2018 Examiner Hearing.)

***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Kevin O. Butler & Associates, Inc., for Wells Operated in Chaves, Eddy, and Lea Counties, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Kevin O. Butler & Associates, Inc., (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

41. **Case No. 16048:** (Continued from the March 22, 2018 Examiner Hearing.)

***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Cobalt Operating, LLC, for Wells Operated in Lea County, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Cobalt Operating, LLC, (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

42. **Case No. 16070: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against GFG Operating LLC, for Wells Operated in Eddy County, New Mexico.** The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator GFG Operating LLC, ("Operator") is out of compliance with 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance 19.15.25.8 NMAC within 45 days; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

43. **Case No. 16071: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against CFM Oil, L.L.C., for Wells Operated in Eddy, Lea, and Chaves Counties, New Mexico.** The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator CFM Oil, L.L.C. ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

44. **Case No. 16072: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Cross Border Resources, Inc., for Wells Operated in Chaves, Lea, and Roosevelt Counties, New Mexico.** The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Cross Border Resources, Inc., ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

45. **Case No. 16073 Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against RMR Operating, LLC, for Wells Operated in Lea County, New Mexico.** The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator RMR Operating, LLC, ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

46. **Case No.16074: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Providence Energy Services Inc., for Wells Operated in Lea County, New Mexico.** The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Providence Energy Services Inc., ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

47. **Case No. 16075: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Cross Timbers Energy, LLC, for Wells Operated in Rio Arriba and Lea Counties, New Mexico.** The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Cross Timbers Energy, LLC, ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance,

declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

**48. Case No. 16020:** *Continued from the March 22, 2018 Examiner Hearing.*

***Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2 N/2 of Section 24 and the N/2 N/2 of Section 23, Township 18 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to the **Virgo 24/23 B2AD Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NE/4 NE/4 of Section 24, and a terminus in the NW/4 NW/4 of Section 23. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 6 miles south-southeast of Loco Hills, New Mexico.

**49. Case No. 16024:** *Continued from the March 22, 2018 Examiner Hearing.*

***Amended Application of BTA Oil Producers, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) authorizing a non-standard, 160-acre spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) combining that 160-acre non-standard spacing unit with a standard 320-acre spacing unit to create a 480-acre non-standard spacing and proration unit comprised of the W/2 of Section 29 and the NW/4 of Section 32, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be the project area for two proposed initial wells, to be drilled and simultaneously completed: the proposed **BTA-Ogden 20509 32-29 Fed Com #5H Well** and the proposed **BTA-Ogden 20509 32-29 Fed Com #6H Well**. The **BTA-Ogden 20509 32-29 Fed Com #5H Well** has a standard surface location in the SE/4 NW/4 (Unit F) of Section 32 with a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 29. The **BTA-Ogden 20509 32-29 Fed Com #6H Well** will have a standard surface hole location in the SW/4 NW/4 (Unit E) of Section 32 with a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 29. The completed interval for each well will remain within the 330-foot standard offset required by the Special Rule for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220). Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of BTA Oil Producers, LLC as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 2 miles southwest of Loving, N.M.

**50. Case No. 16027:** *Continued from the March 22, 2018 Examiner Hearing.*

***Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a non-standard 638.16-acre, more or less, spacing and proration unit comprised of the W/2 of Section 3 and the W/2 of Section 10, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be a project area for three proposed initial wells, to be drilled and completed simultaneously: the proposed **Black River 3-10 Fed Com WCA No. 2H Well**, the proposed **Black River 3-10 Fed Com WCA No. 3H Well**, and the proposed **Black River 3-10 Fed Com WCA No. 4H Well**. These wells will be horizontally drilled from a surface location in the NE/4 NW/4 (Lot 3) of Section 3 to bottom hole locations in the SW/4 SW/4 (Unit M) and the SE/4 SW/4 (Unit N) of Section 10. The completed intervals for these wells will remain within the 330-foot offset as required by the special rules for the Purple Sage-Wolfcamp Gas Pool adopted under Division Order R-14262. Also to be considered will be the timing of the drilling and completion of said wells, the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating, LLC as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 12 miles southwest of Carlsbad, New Mexico.

**51. Case No. 15984:** *Continued from the March 22, 2018 Examiner Hearing.*

***Application of Devon Energy Production Company, L.P. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) authorizing a non-standard spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 480-acre non-standard spacing and proration unit comprised of the SE/4 of Section 30 and the E/2 of Section 31, Township 23 South, Range 29 East, Eddy County, New Mexico; and (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to the applicant's four proposed initial wells:

- The proposed **Spud Muffin 31-30 735H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 of Section 31 (Unit O) to a bottom hole location in the NW/4 SE/4 of Section 30 (Unit J);
- The proposed **Spud Muffin 31-30 736H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 of Section 31 (Unit O) to a bottom hole location in the NW/4 SE/4 of Section 30 (Unit J);
- The proposed **Spud Muffin 31-30 737H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 of Section 31 (Unit P) to a bottom hole location in the NE/4 SE/4 of Section 30 (Unit I);
- The proposed **Spud Muffin 31-30 738H Well**, which will be horizontally drilled from a surface location in the

SE/4 SE/4 of Section 31 (Unit P) to a bottom hole location in the NE/4 SE/4 of Section 30 (Unit I).

The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Devon Energy Production Company, L.P. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico.

**52. Case No. 15997:** *(Continued from the March 22, 2018 Examiner Hearing.)*

**Application of Devon Energy Production Company, L.P. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) authorizing a non-standard spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 480-acre non-standard spacing and proration unit comprised of the SW/4 of Section 30 and the W/2 of Section 31, Township 23 South, Range 29 East, Eddy County, New Mexico; and (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to the applicant's four proposed initial wells:

- The proposed **Spud Muffin 30-31 Fed Com 731H Well**, which will be horizontally drilled from a surface location in the NW/4 SW/4 of Section 30 (Unit L) to a bottom hole location in the SW/4 SW/4 of Section 31 (Unit M);
- The proposed **Spud Muffin 30-31 Fed Com 732H Well**, which will be horizontally drilled from a surface location in the NW/4 SW/4 of Section 30 (Unit L) to a bottom hole location in the SW/4 SW/4 of Section 31 (Unit M);
- The proposed **Spud Muffin 31-30 Com 733H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 of Section 31 (Unit N) to a bottom hole location in the NE/4 SW/4 of Section 30 (Unit K);
- The proposed **Spud Muffin 31-30 Com 734H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 of Section 31 (Unit N) to a bottom hole location in the NE/4 SW/4 of Section 30 (Unit K).

The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Devon Energy Production Company, L.P. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico.

**53. Case No. 15926:** *(Continued from the March 22, 2018 Examiner Hearing.)*

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

**54. Case No. 15971:** *(Continued from the March 22, 2018 Examiner Hearing.)*

**Application of Prime Rock Resources, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 20 and the E/2 W/2 of Section 29, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Olive Woolly Bugger 20-29 Federal Com #1H**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 17 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 29. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Prime Rock Resources, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 26 miles Northeast of Loving, New Mexico.

**55. Case No. 15913:** *(Continued from the March 22, 2018 Examiner Hearing.)*

**Application of Mewbourne Oil Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 478.13-acre non-standard spacing and proration unit in the Wolfcamp formation underlying Lots 3-7, SE/4 NW/4, and E/2 SW/4 (the W/2) of Section 6 and Lots 1, 2, and E/2 NW/4 (the NW/4) of Section 7, Township 24 South, Range 29 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Pecos Valley W2ED Fed. Com. Well No. 1H**, a horizontal well with a surface location in Lot 3 of Section 7, and a terminus in Lot 4 of Section 6. The producing interval

will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3 miles northeast of Malaga, New Mexico.

**56. Case No. 15914 (readvertised):** *(Continued from the March 22, 2018 Examiner Hearing.)*

**Application of Mewbourne Oil Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 479.88-acre non-standard spacing and proration unit in the Wolfcamp formation underlying Lots 1, 2, S/2 NE/4, and SE/4 (the E/2) of Section 6 and the NE/4 of Section 7, Township 24 South, Range 29 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to (i) the **Pecos Valley W2AH Fed. Com. Well No. 1H**, a horizontal well with a surface location in Lot 1 of Section 6, and a terminus in the SE/4 NE/4 of Section 7, and (ii) the **Pecos Valley W0AH Fed. Com. Well No. 2H**, a horizontal well with a surface location in Lot 1 of Section 6, and a terminus in the SE/4 NE/4 of Section 7. The producing interval of each well will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 3-1/2 miles northeast of Malaga, New Mexico.

**57. Case No. 15968:** *(Continued from the March 22, 2018 Examiner Hearing.)*

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

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

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