

bottomhole location in the SE/4 SE/4 (Unit P) of Section 36. 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 BC Operating, Inc., as operator of the well, and a 200% charge for risk involved in drilling said well. The area is located approximately 10 miles southwest of Carlsbad, New Mexico.

8. **Case No. 15586:** *(Continued from the January 19, 2017 Examiner Hearing.)*

**Application of GMT Exploration Company LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order (i) creating a 160-acre, non-standard oil spacing and proration unit (project area) comprised of the E/2W/2 of Section 32, Township 21 South, Range 32 East, NMPM, in Lea County, and (ii) pooling all mineral interests in the Bone Spring formation underlying this acreage. The project area is to be dedicated to applicant's **Grenache "32" State Com. #1H** well, which will be horizontally drilled from a surface location in Unit N of Section 32, Township 21 South, Range 32 East to a bottom hole location in Unit C of Section 32, Township 21 South, Range 32 East. The completed interval for the well will remain within the 330-foot standard offset required by the Division's rules. 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 the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The proposed project area is located approximately twenty-five (25) miles southwest of Loving, New Mexico.