

1978, §§ 70-2-12(B)(1) and 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

8. **Case No. 15653: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Elmira T Welch, for a Well Operated in Eddy County, New Mexico.** The New Mexico Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), 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 Elmira T Welch (“Operator”) is out of compliance with 19.15.5.9, 19.15.8, and 19.15.25.8 NMAC; (2) requiring Operator to return to compliance with 19.15.5.9, 19.15.8, and 19.15.25.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division Order for each day after the deadline established in the sought order to obtain compliance, declaring the well abandoned and authorizing the OCD to plug the violating well in accordance with a Division-approved plugging program and recover costs from the Operator, 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).

9. **Case No. 15654: Application of Mesquite SWD, Inc. to Amend Approvals for Salt Water Disposal Wells in Lea and Eddy Counties.** Applicant seeks an order from the Division: Amending Order Numbers SWD-1667 for the San Dunes SWD #2 well, SWD-1642 for the Scott B SWD #1 well, SWD-1638 for the VL SWD #1 well, SWD-1558 for the Station SWD #1 well, SWD-1636 for the Cypress SWD #1 well, SWD-1610 for the Gnome East SWD #1 well, SWD-1602 for the Uber East SWD #1 well, and SWD-1600 for the Uber North SWD #1 well, to allow for injection to occur through internally-coated, 5 ½ inch or smaller tubing. The orders issued by the Division currently only allow for tubing to be used if its 4 ½ inches or smaller. The Station SWD #1 well is located approximately 31.7 miles Northwest of Jal, New Mexico. The San Dunes SWD #2, Scott B SWD #1, and Scott B SWD #1 are located within 17 miles of Malaga, New Mexico. The Cypress SWD #1, Gnome East SWD #1, Uber East SWD #1, and Uber North SWD #1 are located approximately 21 - 37 miles southeast of Carlsbad, New Mexico.

10. **Case No. 15655: Application of Black Mountain Operating LLC for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and an Unorthodox Well Location, Lea County, New Mexico.** Applicant seeks an order approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the W/2 SW/4 of Section 35, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico and the W/2 W/2 of Section 2, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant’s proposed **Grama Ridge State Com 1H well** to be drilled at an unorthodox location approximately 144.3 feet from the south line and 911 feet from the west line (surface) of Section 2, Township 22 South, Range 34 East, to 2371 feet from the south line and 330 feet from the west line (terminus) of Section 35, Township 21 South, Range 34 East. 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 and lands are located approximately 17 miles west of Eunice, New Mexico.

11. **Case No. 15656: Application of Black Mountain Operating LLC for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and an Unorthodox Well Location, Lea County, New Mexico.** Applicant seeks an order approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the E/2 SW/4 of Section 35, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico and the E/2 W/2 of Section 2, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant’s proposed **Grama Ridge State Com 3H well** to be drilled at an unorthodox location approximately 144.3 feet from the south line and 971 feet from the east line (surface) of Section 2, Township 22 South, Range 34 East, to 2387 feet from the south line and 1707.7 feet from the east line (terminus) of Section 35, Township 21 South, Range 34 East. 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 and lands are located approximately 17 miles west of Eunice, New Mexico.

12. **Case No. 15657: Application of Rockcliff Operating New Mexico LLC for pool expansion and special rules and regulations for the West Milnesand-San Andres Pool, Roosevelt County, New Mexico.** Applicant seeks an order instituting special rules and regulations for the West Milnesand-San Andres Pool, including a special depth bracket allowable of 160 barrels of oil per day for a standard 40-acre oil spacing and proration unit. The West Milnesand-San Andres Pool currently includes the SE/4 of Section 17, the NE/4 of Section 20, and the W/2 of Section 21, Township 8 South, Range 34 East, NMPM. Applicant requests that the special rules and regulations be made effective retroactive to the date of first production from the **Annapurna 20 Well No. 1H (API No. 30-041-20969)**, a horizontal well with a well unit comprised of the E/2 E/2 of Section 20, Township 8 South, Range 34 East, NMPM. Applicant further requests that the horizontal limits of the pool be expanded to include the SE/4 of Section 20. The West Milnesand-San Andres Pool is centered approximately 3 miles southwest of Milnesand, New Mexico.

13. **Case No. 15658: Application of NM&O Operating Company for compulsory pooling, Rio Arriba County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Mesaverde formation (Blanco-Mesaverde Gas Pool) underlying the S/2 of Section 35, Township 25 North, Range 2 West, NMPM, to form a standard 320 acre gas spacing and proration unit. The unit is dedicated to the **Hawk Well No. 3**, located at an orthodox location in the NW/4 SE/4 of Section 35. Also to be

considered will be the designation of applicant as operator of the well. The unit is located approximately 2-1/2 miles north of Lindrieth, New Mexico.

**14. Case No. 15659: Application of GMT Exploration Company LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** GMT Exploration Company LLC 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 W/2 of Section 2, Township 22 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit (project area). The unit will be dedicated to the **Pucker Rapid State Com. Well No. 1H**, a horizontal well with a surface location in the SW/4 SW/4, and a terminus in the NW/4 NW/4, of Section 2. The beginning and end of the productive 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 12 miles west-southwest of Oil Center, New Mexico.

**15. Case No. 15660: Application of GMT Exploration Company LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** GMT Exploration Company LLC 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 2, Township 22 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit (project area). The unit will be dedicated to the **Squeeze State Com. Well No. 1H**, a horizontal well with a surface location in the SE/4 SW/4, and a terminus in the NE/4 NW/4, of Section 2. The beginning and end of the productive 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 12 miles west-southwest of Oil Center, New Mexico.

**16. Case No. 15625: (Continued from the March 16, 2017 Examiner Hearing.)**  
**Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 21, Township 23 South, Range 28 East, NMPM, for all pools developed on 320 acre spacing within that vertical extent. The unit is to be dedicated to the **Loving Townsite 21 W2PA Fee Well No. 1H**, a horizontal well with a surface location 220 feet from the north line and 450 feet from the east line of adjoining Section 28, with the first take point approximately 330 feet from the south line and 450 feet from the east line and a terminus 330 feet from the north line and 450 feet from the east line of Section 21. 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 1 mile east of beautiful, downtown Loving, New Mexico.

**17. Case No. 15637: (Continued from the March 16, 2017 Examiner Hearing.)**  
**Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying Lots 1, 2, S/2 NE/4, and SE/4 (the E/2) of Section 3, Township 24 South, Range 28 East, NMPM, to form a standard 320.25 acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent. The unit will be dedicated to the **Yardbirds 3 W0AP Fee Well No. 2H**, a horizontal well with a surface location 185 feet from the north line and 450 feet from the east line, and a terminus 330 feet from the south line and 450 feet from the east line, of Section 3. The beginning and end of the producing interval are 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 1-1/2 miles north of Malaga, New Mexico.

**18. Case No. 15638: (Continued from the March 16, 2017 Examiner Hearing.)**  
**Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying Lots 1, 2, S/2 NE/4, and SE/4 (the E/2) of Section 3, Township 24 South, Range 28 East, NMPM, to form a standard 320.25 acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent. The unit will be dedicated to the **Yardbirds 3 W2AP Fee Well No. 1H**, a horizontal well with a surface location 185 feet from the north line and 400 feet from the east line, and a terminus 330 feet from the south line and 400 feet from the east line, of Section 3. The beginning and end of the producing interval are 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 1-1/2 miles north of Malaga, New Mexico.

**19. Case No. 15661: Application of BC Operating, Inc., Crown Oil Partners V, Crump Energy Partners, and Nadel and Gussman Permian, LLC for compulsory pooling, Eddy County, New Mexico.** Applicants in the above-styled cause seek an order pooling all uncommitted interests in the Wolfcamp formation underlying the 320-acre, more or less, spacing and proration unit comprised of the E/2 of Section 22, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Said unit is to be