

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 28 miles northeast of Carlsbad, New Mexico.

12.. Case No. 15742: (Continued from the July 6, 2017 Examiner Hearing.)

Application of McElvain Energy Inc. 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) non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation (EK-Bone Spring Pool) comprised of the W/2 E/2 of Section 30, Township 18 South, Range 34 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 the applicant's proposed **EK 30 BS2 Federal Com No. 2H Well**, which will be drilled horizontally from the SE/4 SE/4 (Unit P) of Section 30 to a non-standard bottomhole location in the NW/4 NE/4 (Unit B) of Section 30. The Special Rules for the EK-Bone Spring Pool require 80-acre spacing units and that the completed interval for a well be located within 150 feet of the center of the quarter-quarter section. The Division previously issued Administrative Order NSL-7503 approving an unorthodox location for the subject well. McElvain also requests a non-standard, 160-acre spacing unit comprised of the W/2 E/2 of Section 30, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. 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 applicant as operator of the well and, pursuant to NMRA 19.15.1.35, the imposition of a 200% risk charge against the working interest of any party that elects not to participate in this project. Said area is located approximately 30 miles west of Hobbs New Mexico.

13. Case No. 15743: (Continued from the July 6, 2017 Examiner Hearing.)

Application of McElvain Energy Inc. 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) non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation (EK-Bone Spring Pool) comprised of the E/2 E/2 of Section 31, Township 18 South, Range 34 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 the applicant's proposed **EK 31 BS2 Federal Com No. 1H Well**, which will be drilled horizontally from the SE/4 SE/4 (Unit P) of Section 30 to a non-standard bottomhole location in the SE/4 SE/4 (Unit P) of Section 31. The Special Rules for the EK-Bone Spring Pool require 80-acre spacing units and that the completed interval for a well be located within 150 feet of the center of the quarter-quarter section. The Division previously issued Administrative Order NSL-7503 approving an unorthodox location for the subject well. McElvain also requests a non-standard, 160-acre spacing unit comprised of the E/2 E/2 of Section 31, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. 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 applicant as operator of the well and, pursuant to NMRA 19.15.1.35, the imposition of a 200% risk charge against the working interest of any party that elects not to participate in this project. Said area is located approximately 30 miles west of Hobbs New Mexico.

14. Case No. 15717: (Continued from the July 6, 2017 Examiner Hearing.)

Application of McElvain Energy Inc. 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) non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation comprised of the W/2 W/2 of Section 28, Township 18 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 the applicant's proposed **Ironhouse 28 BS2 State Com No. 4H Well**, which will be drilled horizontally from the SW/4 SW/4 (Unit M) to a standard bottomhole location in the NW/4 NW/4 (Unit D) of Section 28. The completed interval for this well will remain within the 330-foot standard offset required 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 applicant as operator of the well and, pursuant to NMRA 19.15.1.35, the imposition of a 200% risk charge against the working interest of any party that elects not to participate in this project. Said area is located approximately 23 miles west of Hobbs New Mexico.

15. Case No. 15766: Application Of CrownQuest Operating, LLC To Reinstate The Injection Authorized By Order No. R-4007, Lea County, New Mexico. Applicant seeks an order re-approving injection authority pursuant to Order No. R-4007 issued in 1970. Order No. R-4007 authorized the disposal of produced water into the Upper Pennsylvanian formation from approximately 9,789 feet to 9,924 feet through the **State "27" Well No. 2 (API No. 30-025-22932)**, located in the SE/4 SE/4 (Unit P) of Section 27, Township 14 South, Range 32 East, in Lea County, New Mexico. That authority expired on June 30, 2016, due to inactivity associated with a requirement to re-perform a mechanical integrity test, which is now completed. Said well is located approximately 7.5 miles northwest of Lovington, New Mexico.

16. Case No. 15700: (Continued from the June 22, 2017 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 281.10-acre spacing and proration unit in the Bone Spring formation comprised of Lot 4, SW/4 NW/4, and W/2 SW/4 (the W/2 W/2) of Section 5 and the W/2 NW/4 and NW/4 SW/4 of Section 8, 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 is to be dedicated to applicant's **Eagleclaw 5 Fed. Well No. 1H**, to be horizontally drilled from a surface location in Lot 4 of Section 5 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 13 miles west-southwest of Monument, New Mexico.

17.. **Case No. 15767: Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 640-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 of Section 25 and the W/2 of Section 36, Township 23 South, Range 26 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the **Ghostrider 25/36 WODM Fed. Com. Well No. 2H**, a horizontal well with a surface location 185 feet from the north line and 450 feet from the west line of Section 25, and a terminus 330 feet from the south line and 450 feet from the east line of Section 36. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9 miles west-southwest of Loving, New Mexico.

18. **Case No. 15768: (This case will be dismissed.)**

Application of Forty Acres Energy, LLC for statutory unitization, Lea County, New Mexico. Applicant seeks an order statutorily unitizing all mineral interests in the Yates-Seven Rivers-Queen formation in the proposed West Eumont Unit underlying 7977.30 acres of federal, state, and fee lands covering all or parts of Sections 21, 22, 26-29, and 32-35 of Township 20 South, Range 36 East, N.M.P.M., and Sections 1-3, 11, and 12 of Township 21 South, Range 35 East, N.M.P.M. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 *et seq.*, will be: The necessity of unit operations; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investments, to each of the tracts in the unit area; the determination of credits and charges to be made among the working interest owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate. The unit area is centered approximately 5 miles northwest of Oil Center, New Mexico.

19. **Case No. 15769: (This case will be dismissed.)**

Application of Forty Acres Energy, LLC to institute a waterflood project for the West Eumont Unit Area, Lea County, New Mexico. Applicant seeks approval to institute a waterflood project in the West Eumont Unit Area by the injection of water into the Yates-Seven Rivers-Queen formation in wells located on 7977.30 acres of federal, state, and fee lands covering all or parts of Sections 21, 22, 26-29, and 32-35 of Township 20 South, Range 36 East, N.M.P.M., and Sections 1-3, 11, and 12 of Township 21 South, Range 35 East, N.M.P.M. The unit area is centered approximately 5 miles northwest of Oil Center, New Mexico.

20. **Case No. 15744: (Continued from the July 6, 2017 Examiner Hearing.)**

Application of Matador Production Company 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, 160-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 21, Township 20 South, Range 29 East, 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 proposed **Cueva De Oro Fed No. 131H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 21. The completed interval for this well will remain within the 330-foot standard offset required by the rules. 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 12.7 miles northeast of Carlsbad, NM.

21. **Case No. 15745: (Continued from the July 6, 2017 Examiner Hearing.)**

Application of Matador Production Company 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, 160-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 21, Township 20 South, Range 29 East, 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 proposed **Cueva De Oro Fed No. 132H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 21. The completed interval for this well will remain within the 330-foot standard offset required by the rules. 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 12.7 miles northeast of Carlsbad, NM.

22. **Case No. 15746: (Continued from the July 6, 2017 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-acre, more or