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& ANDREWS**
LAW FIRM

MAR 21 2018 PM 02:55

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March 21, 2018

HAND-DELIVERY

Florene Davidson
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Case 16090

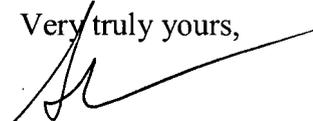
**Re: Application of Impetro Operating, LLC, Lea County, New Mexico
(Prizehog BWZ State Com #3H)**

Dear Ms. Davidson:

Enclosed please find for filing the original and one copy of an Application regarding the above matter. Also enclosed is the proposed advertisement which will be emailed to you in Word format. Please set this matter for hearing on the May 3, 2018 examiner docket.

Thank you.

Very truly yours,


Seth McMillan

Enclosures

cc: Neal Rudderow (via email, w/encs.)

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF IMPETRO OPERATING, LLC
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICOCase No. 16090APPLICATION

Impetro Operating, LLC applies for an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation, Jal (Wolfcamp) Pool, comprised of the W/2E/2 of Section 19, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the W/2E/2 of Section 19, and has the right to drill a well thereon.
2. Applicant proposes to drill its **Prizehog BWZ State Com #3H** well to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the W/2E/2 of Section 19 to the well to form a non-standard 160-acre oil spacing and proration unit (project area) in the Wolfcamp formation. The well is an approximately 4621' horizontal well, with a surface location 250 feet from the north line and 2310 feet from the east line of Section 19, a first take point 330 feet from the north line and 2310 feet from the east line of Section 19, and a bottom hole location 330 feet from the south line and 2310 feet from the east line of Section 19.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Wolfcamp formation in the W/2E/2 of Section 19 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation in the W/2E/2 of Section 19, pursuant to NMSA 1978, §§ 70-2-17, -18.

5. Approval of the non-standard unit and the pooling of all mineral interests in the Wolfcamp formation underlying the W/2E/2 of Section 19 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. WHEREFORE, Applicant requests that, following notice and a hearing to be set for May 3, 2018, the Division enter its order:

A. Approving a non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2E/2 of Section 19;

B. Pooling all mineral interests in the Wolfcamp formation underlying the W/2E/2 of Section 19;

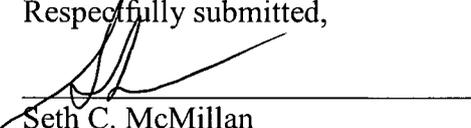
C. Designating Applicant as operator of the well;

D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



Seth C. McMillan

J. Scott Hall

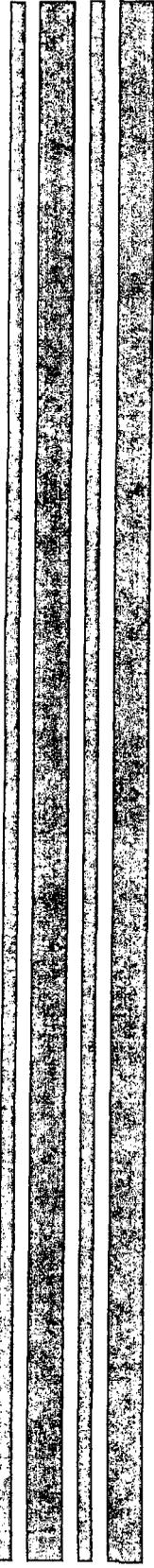
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Attorneys for Impetro Operating, LLC

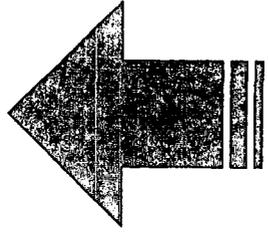
Case No. 16080: *Application of Impetro Operating, LLC for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.* Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation comprised of the W/2E/2 of Section 19, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Prizehog BWZ State Com #3H** well to be drilled from an orthodox location approximately 250 feet from the north line and 2310 feet from the east line of Section 19, Township 26 South, Range 36 East, to a first take point approximately 330 feet from the north line and 2310 feet from the east line of Section 19, Township 26 South, Range 36 East, and then to a bottom hole location approximately 330 feet from the south line and 2310 feet from the east line of Section 19, Township 26 South, Range 36 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 8 miles southwest of Jal, New Mexico.



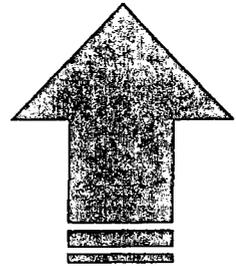
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STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

APPLICATION OF MARATHON
OIL PERMIAN LLC FOR
COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 16089 APR 03 2018 PM05:19

APPLICATION

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all mineral interests in the Wolfcamp formation underlying the standard 320-acre, more or less, spacing and proration unit comprised of the E/2 of Section 1, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico. In support of this application, Marathon states as follows:

1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the E/2 of Section 1 to the proposed wells to form a standard 320-acre, more or less spacing and proration unit (the "project area").
3. Marathon plans to drill the **Catapult Fee Com 23 26 1 WA 5H, Catapult Fee Com 23 26 1 WXY 3H, and Catapult Fee Com 23 26 1 WXY 10H** wells to a depth sufficient to test the Wolfcamp formation. These wells will be horizontally drilled using the same drilling rig.

4. The wells will be drilled from a surface location, located in the S/2 of the SE/4 of Section 1.

5. These wells will be located within the Purple Sage Wolfcamp (Gas) pool (Pool Code 98220), which is subject to special pool rules which establish 330' setback requirements. The producing interval that Marathon seeks to drill will comply with the 330 foot setback requirements established under the Division's rules.

6. Marathon sought, but has been unable to obtain a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed project area to participate in the drilling of the wells or to otherwise commit their interests to the wells.

7. The pooling of all interests in the Wolfcamp formation underlying the proposed project area will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on May 3, 2018, and after notice and hearing as required by law, the Division enter its order:

A. Creating a standard oil spacing and proration unit ("project area") in the Wolfcamp formation comprised of E/2 of Section 1, Township 23 South, Range 26 East, NMPM, Eddy County;

B. Pooling all mineral interests in the Wolfcamp formation underlying this standard spacing and proration unit/project area;

C. Designating Marathon as operator of this unit and the wells to be drilled thereon;

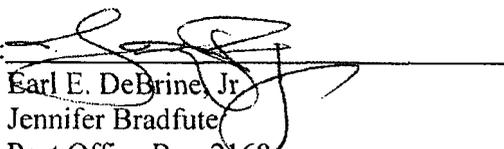
D. Authorizing Marathon to recover its costs of drilling, equipping and completing these wells;

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

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Jennifer Bradfute
Post Office Box 2168
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Attorneys for Applicant

CASE NO. 16089 : 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 E/2 of Section 1, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico. This proposed standard spacing and proration unit will be the project area for the **Catapult Fee Com 23 26 1 WA 5H**, **Catapult Fee Com 23 26 1 WXY 3H**, and **Catapult Fee Com 23 26 1 WXY 10H** 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles south of Carlsbad, New Mexico.

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