

DOCKET: OIL CONSERVATION DIVISION HEARINGS - Tuesday, February 18, 2025

8:30 a.m. - 1220 South St. Francis, Santa Fe, New Mexico 87505
and via MS Teams (login information below)

Virtual Attendance:

Click [HERE](#) to be connected to the meeting.

Dial-in by phone:

(505) 312-4308

Phone conference ID: 947 140 248#

HEARINGS BY AFFIDAVIT: Applications for hearing shall be filed at least thirty (30) days in advance of the hearing date. Presenting parties are required to submit a pre-hearing statement no later than the Thursday before the hearing. The pre-hearing statement shall include: 1) a list of disputed facts and issues; 2) identification of witnesses and their qualifications; and 3) all exhibits and written testimony a party intends to enter into evidence at the hearing and a full narrative for each.

CONTESTED HEARINGS: Pre-hearing statements shall be filed no later than 9:00 a.m., 4 business days prior to the hearing and in addition to the requirements of 19.15.4.13.B(1) NMAC, shall include the following: a) All evidentiary exhibits, documents, affidavits, and full-written testimony of any witness a party offers at the hearing. Page 2 of 2 Exhibits must be sequentially marked on every page. Failure to timely file a complete pre-hearing statement may cause the Hearing Examiner to continue the hearing and/or impose sanctions up to and including the exclusion of late-filed evidence. 6. Evidentiary objections must be filed no later than 48 hours before the hearing. Rulings on the objections will be addressed as a preliminary matter when the case is called.

NOTICE: The hearing examiner may call the following cases in any order at their discretion.

	Case Number	Description
1.	25050	<p>Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation in a 400-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the N/2 SW/4 of Section 4 and the N/2 S/2 of Sections 5 and 6, in Eddy County, New Mexico. Applicant proposes to drill the following 2.5-mile wells in the HSU: Dreamcatcher 4 Fed Com 113H well, to be horizontally drilled from an approximate surface hole location within the SW/4 of Section 4, T22S-R26E, to an approximate bottom hole location 1650’ FSL and 100’ FWL of Section 6, T22S-R26E; Dreamcatcher 4 Fed Com 123H well, to be horizontally drilled from an approximate surface hole location within the SW/4 of Section 4, T22S-R26E, to an approximate bottom hole location 2311’ FSL and 100’ FWL of Section 6, T22S-R26E; and Dreamcatcher 4 Fed Com 133H well, to be horizontally drilled from an approximate surface hole location within the SW/4 of Section 4, T22S-R26E, to an approximate bottom hole location 2311’ FSL and 100’ FWL of Section 6, T22S-R26E. The completed intervals and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the wells and allocation of such costs, the designation of Applicant as operator of the HSU and wells to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 1 mile West of Carlsbad, New Mexico.</p> <p>Setting: Motion Joined with Cases: 25051, 25052</p>
2.	25051	<p>Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation in a 400-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the S/2 SW/4 of Section 4 and the S/2</p>

		<p>S/2 of Sections 5 and 6, in Eddy County, New Mexico. Applicant proposes to drill the following 2.5-mile wells in the HSU: Dreamcatcher 4 Fed Com 114H well, to be horizontally drilled from an approximate surface hole location within the SW/4 of Section 4, T22S-R26E, to an approximate bottom hole location 330' FSL and 100' FWL of Section 6, T22S-R26E; Dreamcatcher 4 Fed Com 124H well, to be horizontally drilled from an approximate surface hole location within the SW/4 of Section 4, T22S-R26E, to an approximate bottom hole location 990' FSL and 100' FWL of Section 4, T22S-R26E; and Dreamcatcher 4 Fed Com 134H well, to be horizontally drilled from an approximate surface hole location within the SW/4 of Section 4, T22S-R26E, to an approximate bottom hole location 990' FSL and 100' FWL of Section 4, T22S-R26E. The completed intervals and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the wells and allocation of such costs, the designation of Applicant as operator of the HSU and wells to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 1 mile West of Carlsbad, New Mexico.</p> <p>Setting: Motion Joined with Cases: 25050, 25052</p>
3.	25052	<p>Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation in an 800-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the SW/4 of Section 4 and S/2 of Sections 5 and 6, T22S-R26E, in Eddy County, New Mexico. Applicant proposes to drill the following 2.5-mile wells in the HSU: (1) Dreamcatcher 4 Fed Com 213H, to be horizontally drilled from an approximate surface hole location within the SW/4 of Section 4, T22S-R26E, to an approximate bottom hole location 1650 feet FSL and 100' FWL of Section 6, T22S-R26E; (2) Dreamcatcher 4 Fed Com 214H, to be horizontally drilled from an approximate surface hole location within the SW/4 of Section 4, T22S-R26E, to an approximate bottom hole location 330 feet FSL and 100' FWL of Section 6, T22S-R26E; (3) Dreamcatcher 4 Fed Com 423H, to be horizontally drilled from an approximate surface hole location within the SW/4 of Section 4, T22S-R26E, to an approximate bottom hole location 2311 feet FSL and 100' FWL of Section 6, T22S-R26E; and (4) Dreamcatcher 4 Fed Com 424H, to be horizontally drilled from an approximate surface hole location within the SW/4 of Section 4, T22S-R26E, to an approximate bottom hole location 990 feet FSL and 100' FWL of Section 6, T22S-R26E. The completed intervals and first and last take points will not meet standard setback requirements. Applicant will be seeking administrative approval of non-standard locations. Additional considerations will be the cost of drilling and completing the wells and allocation of such costs, the designation of Applicant as operator of the HSU and wells to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 1 mile West of Carlsbad, New Mexico.</p> <p>Setting: Motion Joined with Cases: 25050, 25051</p>
4.	25092	<p>Application of Spur Energy Partners LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interests from the top of the Yeso formation to 5,000' MD, underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 12, Township 17 South, Range 29 East, Eddy County, New Mexico ("Unit"). Applicant seeks to dedicate the Unit to the Fat Tire 12 Federal Com 20H, Fat Tire 12 Federal Com 50H, and Fat Tire 12 Federal Com 70H wells ("Wells"), to be drilled from surface hole locations in the NE/4 NW/4 (Unit C) of Section 7, Township 17 South, Range 30 East, to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 12, Township 17 South, Range 29 East. The completed interval of the Fat Tire 12 Federal Com 50H well will be located within 330' of the quarter-quarter section line separating the N/2 N/2 and S/2 N/2 of Section 12 to allow for the creation of a 320-acre standard horizontal spacing unit. Due to a depth severance within the Unit, Applicant seeks to pool only those uncommitted interests from the top of the Yeso formation at a stratigraphic equivalent of 4,257' MD, as found in the Chica Cat Federal Com #1 (API No. 30-015-26094) well log to 5,000' MD. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 1.95 miles west</p>

		and 2.42 miles north of Loco Hills, New Mexico. Setting: Hearing by Affidavit
5.	25160	Application of Franklin Mountain Energy 3, LLC to Amend Order No. R-22812 for the Limited Purpose of Adding Additional Pooled Parties, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-22812 to pool additional parties under Order No. R-22812. Order R-22812 was issued in Case No. 23611 and pooled uncommitted interest owners in a standard 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 W/2 of Sections 27 and 34, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 18 miles west of Hobbs, New Mexico. Setting: Hearing by Affidavit Joined with Cases: 25161, 25162
6.	25161	Application of Franklin Mountain Energy 3, LLC to Amend Order No. R-22816 for the Limited Purpose of Adding Additional Pooled Parties, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-22816 to pool additional parties under Order No. R-22816. Order R-22816 was issued in Case No. 23613 and pooled uncommitted interest owners in a standard 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections 27 and 34, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 18 miles west of Hobbs, New Mexico. Setting: Hearing by Affidavit Joined with Cases: 25160, 25162
7.	25162	Application of Franklin Mountain Energy 3, LLC to Amend Order No. R-23031 for the Limited Purpose of Adding Additional Pooled Parties, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-23031 to pool additional parties under Order No. R-23031. Order R-23031 was issued in Case No. 23965 and pooled uncommitted interest owners in a standard 800-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 SW/4 of Section 1, the W/2 W/2 of Sections 12 and 13, and the E/2 SE/4 of Section 2, the E/2 E/2 of Section 11 and 14, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 18 miles west of Hobbs, New Mexico. Setting: Hearing by Affidavit Joined with Cases: 25160, 25161
8.	25141	Application of Mewbourne Oil Company for Approval an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) approving a 320.62-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying Lot 4, SE/4 NW/4, and W/2 SW/4 (W/2 W/2 equivalent) of irregular Section 4, and W/2 W/2 of Section 9, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to dedicate the above-referenced overlapping horizontal spacing unit to the proposed San Lorenzo 9-4 State Com #551H well, to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 9 to a bottom hole location in Lot 4 (NW/4 NW/4 equivalent) of irregular Section 4. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation: <ul style="list-style-type: none"> • 160-acre spacing unit comprised of Lot 4, SW/4 NW/4, and W/2 SW/4 (W/2 W/2 equivalent) of irregular Section 4, T25S-R28E, dedicated to the Odie 4 State 1H (API: 30-015-41311) well currently operated by RAYBAW Operating, LLC; and • 160-acre spacing unit comprised of the W/2 W/2 of Section 9, T25S-R28E, dedicated to the San Lorenzo 9 MD Fee 1H (API: 30-015-41305) well currently operated by Mewbourne Oil Company. <p>Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 5 miles southwest of Malaga, New Mexico.</p>

		Setting: Hearing by Affidavit Joined with Cases: 25142, 25143, 25144
9.	25142	<p>Application of Mewbourne Oil Company for Approval an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) approving a 320.50-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying Lot 3, SW/4 NW/4, and E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 4, and E/2 W/2 of Section 9, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to dedicate the above-referenced overlapping horizontal spacing unit to the proposed San Lorenzo 9-4 State Com #553H well to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 9 to a bottom hole location in Lot 3 (NE/4 NW/4 equivalent) of irregular Section 4. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:</p> <ul style="list-style-type: none"> • 160-acre spacing unit comprised of Lot 3, SE/4 NW/4, and E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 4, T25S-R28E, dedicated to the Nermal 4 State 1H (API: 30-015-41239) well currently operated by RAYBAW Operating, LLC; and • 160-acre spacing unit comprised of the E/2 W/2 of Section 9, T25S-R28E, dedicated to the San Lorenzo 9 NC Fee 1H (API: 30-015-40749) well currently operated by Mewbourne Oil Company. <p>Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 5 miles southwest of Malaga, New Mexico.</p> <p>Setting: Hearing by Affidavit Joined with Cases: 25141, 25143, 25144</p>
10.	25143	<p>Application of Mewbourne Oil Company for Approval an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) approving a 320.38-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 4, and W/2 E/2 of Section 9, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to dedicate the above-referenced overlapping horizontal spacing unit to the proposed San Lorenzo 9-4 State Com #556H well to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 9 to a bottom hole location in Lot 2 (NW/4 NE/4 equivalent) of irregular Section 4. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:</p> <ul style="list-style-type: none"> • 160-acre spacing unit comprised of Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 4, T25S-R28E, dedicated to the Kayro 4 State 1H (API: 30-015-41292) well currently operated by RAYBAW Operating, LLC. <p>Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 5 miles southwest of Malaga, New Mexico.</p> <p>Setting: Hearing by Affidavit Joined with Cases: 25141, 25142, 25144</p>
11.	25144	<p>Application of Mewbourne Oil Company for Approval an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) approving a 320.26-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying Lot 1, SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 4, and E/2 E/2 of Section 9, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to dedicate the</p>

		<p>above-referenced overlapping horizontal spacing unit to the proposed San Lorenzo 9-4 State Com #558H well to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 9 to a bottom hole location in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 4. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:</p> <ul style="list-style-type: none"> • 160-acre spacing unit comprised of Lot 1, SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 4, T25S-R28E, dedicated to the Pooky 4 State 1H (API: 30-015-41241) well currently operated by RAYBAW Operating, LLC. <p>Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 5 miles southwest of Malaga, New Mexico. Setting: Hearing by Affidavit Joined with Cases: 25141, 25142, 25143</p>
<p>12.</p>	<p>24774</p>	<p>Application of Avant Operating, LLC for approval of a non-standard spacing unit, compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 642.24-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 of Sections 29 and 30, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Avant also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the following wells: the Dire Wolf 28 Fed Com #301H, Dire Wolf 28 Fed Com #302H, Dire Wolf 28 Fed Com #502H, Dire Wolf 28 Fed Com #601H, and Dire Wolf 28 Fed Com #602H wells with a proposed surface hole location in the SE/4 SW/4 (Unit N) of Section 28, and a proposed last take point in the SW/4 SW/4 (Unit M) of Section 30; and the Dire Wolf 28 Fed Com #303H, Dire Wolf 28 Fed Com #503H and Dire Wolf 28 Fed Com #603H wells with a proposed surface hole location in the SE/4 SW/4 (Unit N) of Section 28, and a proposed last take point in the NW/4 SW/4 (Unit L) of Section 30. The wells will be drilled at orthodox locations. The pool and pool code for the S/2 of Sections 29 and 30 is the LUSK;BONE SPRING, NORTH [41450] pool, which is an oil pool. This proposed horizontal spacing unit will partially overlap with the following spacing units:</p> <ul style="list-style-type: none"> • A 160-acre Bone Spring horizontal spacing unit comprised of the S/2 S/2 of Section 29, Township 18 South, Range 32 East, dedicated to Chevron U.S.A. Inc.'s Cross Bones 2-29 #001H well (API 30-025-40706); • A 160-acre Bone Spring horizontal spacing unit comprised of the N/2 S/2 of Section 29, Township 18 South, Range 32 East, dedicated to Chevron U.S.A. Inc.'s Cross Bones 1-29 #002H well (API 30-025-40711); • A 80-acre Bone Spring horizontal spacing unit comprised of the E/2 SE/4 of Section 30, Township 18 South, Range 32 East, dedicated to RAYBAR Operating, LLC's Nana 30 Federal #001H well (API 30-025-39365); • A 80-acre Bone Spring horizontal spacing unit comprised of the W/2 SE/4 of Section 30, Township 18 South, Range 32 East, dedicated to RAYBAR Operating, LLC's Nana 30 Federal #002H well (API 30-025-39579); • A 40-acre Bone Spring vertical spacing unit comprised of the SE/4 SW/4 (Unit N) of Section 30, Township 18 South, Range 32 East, dedicated to Mewbourne Oil Company's Geronimo 30 Federal #002 well (API 30-025-37946); • A 40-acre Bone Spring vertical spacing unit comprised of the NE/4 SW/4 (Unit K) of Section 30, Township 18 South, Range 32 East, dedicated to RAYBAR Operating, LLC's Nana 30 Federal #003 well (API 30-025-39580); • A 40-acre Bone Spring vertical spacing unit comprised of the SW/4 SW/4 (Lot 4) of Section 30, Township 18 South, Range 32 East, dedicated to Mewbourne Oil Company's Geronimo 30 Federal Com #001 well (API 30-025-37623); and • A 40-acre Bone Spring vertical spacing unit comprised of the NW/4 SW/4 (Unit L) of Section 30, Township 18 South, Range 32 East, dedicated to Mewbourne Oil Company's Geronimo 30 Federal #004 well (API 30-025-38182). <p>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 Avant</p>

		<p>Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 10 miles north of Maljamar, New Mexico.</p> <p>Setting: Contested Hearing Joined with Cases: 24892, 24893</p>
<p>13.</p>	<p>24892</p>	<p>Application of Mewbourne Oil Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 161.13-acre, more or less, horizontal well spacing unit in the Bone Spring formation limited to the Second Bone Spring Sand interval underlying Lot 4, the SE4SW4 and the S2SE4 of irregular Section 30, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico, and (b) pooling the uncommitted interest owners in this acreage. Said unit will be initially dedicated to the proposed Choctaw Bingo 30 Fed Com 528H well to be horizontally drilled in the Second Bone Spring interval from a surface location in the SW4 of Section 30, with a first take point in SW4SW4 equivalent (Lot 4) and a last take point in SE4SE4 (Unit P) of Section 30. This proposed horizontal well spacing unit will overlap the following existing or proposed spacing units in the Bone Spring formation:</p> <p>? A 40-acre Bone Spring vertical spacing unit comprised of the SE4SW4 (Unit N) of Section 30, dedicated to the Geronimo 30 Federal #002 well (API 30-025-37946) operated by Mewbourne Oil Company in the Second Bone Spring Carbonate;</p> <p>? A 40-acre Bone Spring vertical spacing unit comprised of the SW4SW4 equivalent (Lot 4) of Section 30, dedicated to Geronimo 30 Federal Com #001 well (API 30-025-37623), operated by Mewbourne Oil Company in the First Bone Spring interval;</p> <p>? An 80-acre Bone Spring horizontal spacing unit comprised of the E2SE4 of Section 30, dedicated Nana 30 Federal #001H well (API 30-025-39365), operated by Raybaw Operating, LLC, in the First Bone Spring interval;</p> <p>? An 80-acre Bone Spring horizontal spacing unit comprised of the W2SE4 of Section 30, dedicated to the Nana 30 Federal #002H well (API 30-025-39579), operated by Raybaw Operating, LLC, in the First Bone Spring interval; and</p> <p>? A 640-acre horizontal well spacing unit that Applicant has proposed in the Bone Spring formation underlying the S2 of Sections 29 and 30 for the Choctaw Bingo 30/29 Fed Com 467H, 526H, 625H and 627H wells to be drilled in the First, Second and Third intervals of the Bone Spring formation.</p> <p>Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 10 miles north of Maljamar, New Mexico.</p> <p>Setting: Contested Hearing Joined with Cases: 24774, 24893</p>
<p>14.</p>	<p>24893</p>	<p>Application of Mewbourne Oil Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 642.24-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the S2 of Section 29 and Lots 3-4, E2SW4 and the SE4 of irregular Section 30, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico, and (b) pooling the uncommitted interest owners in this acreage. Said unit will be initially dedicated to the following proposed wells to be horizontally drilled from a surface location in the SW4 of Section 30:</p> <ul style="list-style-type: none"> • Choctaw Bingo 30/29 Fed Com 467H with a first take point in the SW4SW4 equivalent (Lot 4) of Section 30 and a last take point in SE4SE4 (Unit P) of Section 29; • Choctaw Bingo 30/29 Fed Com 526H with a first take point in the NW4SW4 equivalent (Lot 3) of Section 30 and a last take point in NE4SE4 (Unit I) of Section 29; • Choctaw Bingo 30/29 Fed Com 625H with a first take point in the NW4SW4 equivalent (Lot 3) of Section 30 and a last take point in NE4SE4 (Unit I) of Section 29; and • Choctaw Bingo 30/29 Fed Com 627H with a first take point in the SW4SW4 equivalent (Lot 4) of Section 30 and a last take point in SE4SE4 (Unit P) of Section 29. <p>The completed intervals of the Choctaw Bingo 30/29 Fed Com 467H and 526H wells are expected</p>

to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include this acreage in a standard horizontal well spacing unit. This proposed horizontal well spacing unit will overlap the following existing or proposed spacing units in the Bone Spring formation:

- A 40-acre Bone Spring vertical well spacing unit comprised of the SE4SW4 (Unit N) of Section 30, dedicated to the Geronimo 30 Federal #002 well (API 30-025-37946) operated by Mewbourne Oil Company in the Second Bone Spring Carbonate;
- A 40-acre Bone Spring vertical well spacing unit comprised of the NE4SW4 (Unit K) of Section 30, dedicated to the Nana 30 Federal #003 well (API 30-025-39580) operated by Raybaw Operating, LLC in the First and Second Bone Spring Carbonate;
- A 40-acre Bone Spring vertical spacing unit comprised of the SW4SW4 equivalent (Lot 4) of Section 30, dedicated to Geronimo 30 Federal Com #001 well (API 30-025-37623), operated by Mewbourne Oil Company in the First Bone Spring interval;
- A 40-acre Bone Spring vertical spacing unit comprised of the NW4SW4 (Unit L) of Section 30, dedicated to the Geronimo 30 Federal #004 well (API 30-025-38182) operated by Mewbourne Oil Company in the First Bone Spring interval;
- An 80-acre Bone Spring horizontal spacing unit comprised of the E2SE4 of Section 30, dedicated Nana 30 Federal #001H well (API 30-025-39365), operated by Raybaw Operating, LLC, in the First Bone Spring interval;
- An 80-acre Bone Spring horizontal spacing unit comprised of the W2SE4 of Section 30, dedicated to the Nana 30 Federal #002H well (API 30-025-39579), operated by Raybaw Operating, LLC, in the First Bone Spring interval;
- A 160-acre Bone Spring horizontal well spacing unit comprised of the S2S2 of Section 29, dedicated to the Cross Bones 2-29 #001H well (API 30-025-40706) operated by Chevron U.S.A. in the Second Bone Spring interval;
- A 160-acre Bone Spring horizontal spacing unit comprised of the N2S2 of Section 29, dedicated to the Cross Bones 1-29 #002H well (API 30-025-40711) operated by Chevron U.S.A. in the First Bone Spring interval; and
- A 160-acre horizontal well spacing unit that Applicant has proposed in the Second Bone Spring interval underlying the S2S2 of Section 30 for the Choctaw Bingo 528H well.

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well.

Setting: Contested Hearing
 Joined with Cases: 24774, 24892