

**DOCKET: OIL CONSERVATION DIVISION HEARINGS - THURSDAY, MARCH 5, 2020**

8:15 a.m. - 1220 South St. Francis, Santa Fe, New Mexico 87505

Applications for hearing shall be filed at least thirty (30) days in advance of the hearing date. A party who intends to present evidence shall file a pre-hearing statement no later than the close of business on the Thursday prior to the hearing date and serve a copy on the other parties, if any. The hearing examiner will dismiss the application if the applicant does not file and serve a pre-hearing statement as specified above. A party desiring to use projection equipment at the hearing shall contact Florene Davidson, OCD Clerk, no later than seven (7) business days prior to the hearing.

**NOTICE: The hearing examiner may call the following cases in any order in his or her discretion.**

**1. Case No. 21080: Application of Apache Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 W/2 of Sections 11 and 14, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Dustbowl 11-14 Fed Com #201H** well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 33 miles west of Hobbs, New Mexico.

**2. Case No. 21081: Application of Apache Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 W/2 of Sections 11 and 14, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Dustbowl 11-14 Fed Com #202H** well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 33 miles west of Hobbs, New Mexico.

**3. Case No. 21082: Application of Apache Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 E/2 of Sections 11 and 14, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Dustbowl 11-14 Fed Com #203H** well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 33 miles west of Hobbs, New Mexico.

**4. Case No. 21083: Application of Apache Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 11 and 14,

Township 19 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Dustbowl 11-14 Fed Com #204H** well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 33 miles west of Hobbs, New Mexico.

**5. Case No. 21084:** [Continued to March 19, 2020]

**Application of Vista Disposal Solutions, LLC for approval of a salt water disposal well in Lea County, New Mexico.** Applicant seeks an order for a salt water disposal well for its **Justin Federal SWD#2**, (Pool Code 96769) to be drilled at a location 2,401' FNL and 194' FEL, Unit H, Section 25, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico for injection into the Bell Canyon formation at depths between 5,445' through 6,230' open hole. The well will be located approximately 15 miles west of Jal, New Mexico.

**6. Case No. 21085:** [Continued to March 19, 2020]

**Application of Vista Disposal Solutions, LLC for approval of a salt water disposal well in Lea County, New Mexico.** Applicant seeks an order for a salt water disposal well for its **Kathy Federal SWD#2**, (Pool Code 96769) to be drilled at a location 2,153' FNL and 612' FWL, Unit E, Section 3, Township 26 South, Range 34 East, N.M.P.M., Lea County, New Mexico for injection into the Bell Canyon formation at depths between 5,390 through 6,135' open hole. The well will be located approximately 16 miles southwest of Jal, New Mexico.

**7. Case No. 21086:** [Dismissed]

**Application of Centennial Resource Production, LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 310-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 6 and 7, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed **Crunch Berry 7 Fed Com #601H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Lot 4) of Section 7 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 6. The completed interval for the proposed well will comply with the statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles southwest of Oil Center, New Mexico.

**8. Case No. 21087:** [Dismissed]

**Application of Centennial Resource Production, LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 310-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 6 and 7, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed **Crunch Berry 7 Fed Com #701H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Lot 4) of Section 7 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 6. The completed interval for the proposed well will comply with the statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles southwest of Oil Center, New Mexico.

**9. Case No. 21088: Application of OXY USA Inc. to Pool an Additional Working Interest Owner Under the Terms of Order No. R-21020, Eddy County, New Mexico.** Applicant in the above-styled cause seeks to pool additional working interests under the terms of Order No. R-21020. The Unit is comprised of the W/2 equivalent of Section 8 and the W/2 of Section 17, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Order No. R-21020 pooled the uncommitted interests in the Bone Spring formation (Pierce Crossing; Bone Spring Pool (Pool Code 50371)) and dedicated the Unit to the initial **Oxbow CC 17-8 Fed Com #33H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 17 to a bottom-hole location in the NE/4 NW/4 (Unit C) of Section 8. Said area is located approximately 5 miles east of Malaga, New Mexico.

**10. Case No. 21089: Application of OXY USA Inc. to Pool an Additional Working Interest Owner Under the Terms of Order No. R-21021, Eddy County, New Mexico.** Applicant in the above-styled cause seeks to pool additional working interests under the terms of Order No. R-21021. The Unit is comprised of the W/2 equivalent of Section 8 and the W/2 of Section 17, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Order No. R-21021 pooled the uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp Pool (Pool Code 98220)) and dedicated the Unit to the following initial wells:

- The **Oxbow CC 17-8 Fed Com #31H Well** and the **Oxbow CC 17-8 Fed Com #32H Well**, to be horizontally drilled from surface locations in the SW/4 SW/4 (Unit M) of Section 17 to bottom-hole locations in the NW/4 NW/4 (Unit D) of Section 8.
- The **Oxbow CC 17-8 Fed Com #37H Well** to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 17 to a bottom-hole location in the NE/4 NW/4 (Unit C) of Section 8. Said area is located approximately 5 miles east of Malaga, New Mexico.

**11. Case No. 21090: Application of AWR Disposal, LLC for approval of salt water disposal well in Lea County, New Mexico.** Applicant seeks an order approving the **Twin Sister SWD #1** well at a surface location 2170 feet from the North line and 183 feet from the West line of Section 29, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico for the purpose of operating a salt water disposal well. Applicant requests authorization to inject salt water into the Devonian-Silurian formation at a depth of 14,652'-16,318'. Applicant requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said location is approximately 21.2 miles northwest of Jal, New Mexico.

**12. Case No. 21091: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 280-acre, more or less, horizontal spacing unit comprised of the W/2 NW/4 of Section 33, the W/2 W/2 of Section 28 and the SW/4 SW/4 of Section 21, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed **Omega 183533 1H Well** to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 33 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 21. The completed interval for the proposed well will comply with the statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles East of Hobbs, New Mexico.

**13. Case No. 21092:** [Continued to March 19, 2020]

**Application of Colgate Operating, LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests

within a Bone Spring horizontal spacing unit underlying the S/2 N/2 of Section 25, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico and the S/2 N/2 of Section 30, Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Red Bandana 25 State Com 122H** and **Red Bandana 25 State Com 132H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16.5 miles northeast of Carlsbad, New Mexico.

**14. Case No. 21093:** [Continued to April 16, 2020]

**Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre horizontal spacing unit comprised of the E/2 W/2 of Section 5, Township 19 South, Range 35 East, and E/2 W/2 of Section 32, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed **Foxtail 19-35-05 1H** well to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 8, Township 19 South, Range 35 East to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 32, Township 18 South, Range 35 East. The completed interval for the proposed well will comply with the statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 21 miles East of Hobbs, New Mexico.

**15. Case No. 21094: Application of OXY USA Inc. to Pool Additional Interest Owners Under the Terms of Order No. R-20734, Eddy County, New Mexico.** Applicant in the above-styled cause seeks to pool additional mineral interests under the terms of Order No. R-20734. The Unit is comprised of the E/2 of Sections 20 and 29, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Order No. R-20734 pooled the uncommitted interests in the Bone Spring formation (Pierce Crossing; Bone Spring Pool (Pool Code 96473)) and dedicated the Unit to the initial **Salt Flat CC "20-29" Federal Com No. 35H** to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17 to a bottom-hole location in the SE/4 SE/4 (Unit P) of Section 29. Said area is located approximately 5 miles east of Malaga, New Mexico.

**16. Case No. 21095: Application of OXY USA Inc. to Pool Additional Interest Owners Under the Terms of Order No. R-20733, Eddy County, New Mexico.** Applicant in the above-styled cause seeks to pool additional mineral interests under the terms of Order No. R-20733. The Unit is comprised of the E/2 of Sections 20 and 29, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Order No. R-20733 pooled the uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp Pool (Pool Code 98220)) and dedicated the Unit to the following initial wells:

- The **Salt Flat CC "20-29" Federal Com No. 34H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17 to a bottom-hole location in the SW/4 SE/4 (Unit O) of Section 29.
- The **Salt Flat CC "20-29" Federal Com No. 36H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17 to a bottom-hole location in the SE/4 SE/4 (Unit P) of Section 29.
- The **Salt Flat CC "20-29" Federal Com No. 38H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 17 to a bottom-hole location in the SW/4 SE/4 (Unit O) of Section 29.

Said area is located approximately 5 miles east of Malaga, New Mexico.

**17. Case No. 21096:** [Continued to April 16, 2020]

**Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.**

Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 2 and 11, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Hades 2 WB State Com 1H; Hades 2 WXY State Com 2H; Hades 2 WB State Com 3H; Hades 2 WXY State Com 4H; Hades 2 WD State Com 5H; Hades 2 WD State Com 6H; Hades 2 WD State Com 7H** wells, to be horizontally drilled. The producing area for these wells will be unorthodox. 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 wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 3.5 miles Northeast of Loving, New Mexico.

**18. Case No. 21097: Application of SEP Permian, LLC to Amend Order No. R-20543 to Add Additional Wells to the Approved Horizontal Well Spacing Unit, Eddy County, New Mexico.**

Applicant in the above-styled cause seeks to amend Division Order No. R-20543 to add an additional well to the approved horizontal spacing unit to be dedicated to the 320-acre, more or less, standard horizontal oil spacing unit in the N. Seven Rivers; Glorieta-Yeso Pool (Pool Code 97565), comprised of the E/2 of Section 23, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. The spacing unit will now be dedicated to the following five wells:

- The **Shelby 23 No. 2H Well** and the **Shelby 23 No. 3H Well** will now be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 26 to a standard bottom-hole location in the NW/4 NE/4 (Unit B) of Section 23;
- The **Shelby 23 No. 4H Well** and the **Shelby 23 No. 5H Well** will now be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a standard bottom-hole location in the NE/4 NE/4 (Unit A) of Section 23; and
- The **Shelby 23 No. 6H Well**, which will be drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a standard bottom-hole location in the NE/4 NE/4 (Unit A) of Section 23.

Said area is located approximately 8.5 miles southwest of Atoka, New Mexico.

**19. Case No. 21098: Application of SEP Permian, LLC to Amend Order No. R-20642 to Add Additional Wells to the Approved Horizontal Well Spacing Unit, Eddy County, New Mexico.**

Applicant in the above-styled cause seeks to amend Division Order No. R-20642 to add two additional wells to the approved horizontal spacing unit to be dedicated to the 200-acre, more or less, standard horizontal oil spacing unit in the Penasco Draw; San Andres Yeso Pool (50270) underlying the S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. The spacing unit will now be dedicated to the following three wells: **Nirvana No. 1H Well**, the **Nirvana 2H Well** and the **Nirvana 3H Well**, all of which will be drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27, to a standard bottom-hole location in the SE/4 SE/4 (Unit P) of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. Said area is located approximately 8.5 miles southeast of Artesia, New Mexico.

**20. Case No. 21099: Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.**

Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells, both of which are to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 10 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 3: (1) **Thoroughbred 10-3 Fed Com #621H** well; (2) **Thoroughbred 10-3 Fed Com #711H**

well. The completed intervals of the wells will comply with the setback requirements of the Special Rules for the Purple Sage Wolfcamp Pool. Also to be considered will be the cost of drilling and completing the wells, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 20 miles southeast of Malaga, New Mexico.

**21. Case No. 21100:** [Continued to May 28, 2020]

**Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.**

Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 17 and 20, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Blue Ridge 20 WB Fed 8H; Blue Ridge 20 WA Fed 1H; Blue Ridge 20 WB Fed 4H; Blue Ridge 20 WA Fed 6H; Blue Ridge 20 WD Fed 2H; Blue Ridge 20 WA Fed 9H; Blue Ridge 20 WB Fed 13H; Blue Ridge 20 WA Fed 14H; Blue Ridge 20 WD Fed 7H; Blue Ridge 20 WD Fed 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 wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 12.6 miles southeast of Malaga, New Mexico.

**22. Case No. 21101:** [Continued to May 28, 2020]

**Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.**

Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 E/2 of Sections 17 and 20, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Blue Ridge 20 SB Fed 12H** and the **Blue Ridge 20 AV Fed Com 11H** 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 wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 12.6 miles southeast of Malaga, New Mexico.

**23. Case No. 21102:** [Continued to May 28, 2020]

**Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.**

Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying Sections 17 and 20, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Blue Ridge 20 WB Fed Com 16H; Blue Ridge 20 WA Fed Com 17H; Blue Ridge 20 WB Fed Com 21H; Blue Ridge 20 WA Fed Com 22H; Blue Ridge 20 WB Fed Com 24H; Blue Ridge 20 WA Fed Com 25H; Blue Ridge 20 WB Fed Com 29H; Blue Ridge 20 WA Fed Com 30H; Blue Ridge 20 WD Fed Com 18H; Blue Ridge 20 WD Fed Com 23H; Blue Ridge 20 WD Fed Com 26H; Blue Ridge 20 WD Fed Com 31H** 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 wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 12.6 miles southeast of Malaga, New Mexico.

**24. Case No. 21103: Application of Devon Energy Production Company, L.P. for compulsory**

**pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 640-acre, more or less,

horizontal spacing unit comprised of the E/2 of Sections 2 and 11, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following initial wells: (1) The **Belloq 11-2 Fed State Com #713H Well** (API No. 30-015-pending) to be drilled from a surface hole location in the SW/4 SW/4 (Unit O) of Section 11 to a bottom hole location in the NW/4 NE/4 (Lot 2) of Section 2; (2) The **Belloq 11-2 Fed State Com #714H Well**, and (3) The **Belloq 11-2 Fed State Com #734H Well** (API Nos. 30-015-pending) to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 11 to a bottom hole location in the NE/4 NE/4 (Lot 1) of Section 2. The completed intervals of the wells comply with statewide setbacks for oil wells. Also to be considered will be the cost of drilling and completing the wells, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 30 miles southeast of Carlsbad, New Mexico.

**25. Case No. 21104:** [Continued to May 28, 2020]

**Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.**

Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 17 and 20, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Blue Ridge 20 SB Fed 5H** and the **Blue Ridge 20 AV Fed Com 3H** 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 wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 12.6 miles southeast of Malaga, New Mexico.

**26. Case No. 21105:** [Continued to May 28, 2020]

**Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.**

Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 W/2 of Sections 17 and 20, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Blue Ridge 20 AV Fed Com 19H** and the **Blue Ridge 20 SB Fed Com 20H** 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 wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 12.6 miles southeast of Malaga, New Mexico.

**27. Case No. 21106:** [Continued to May 28, 2020]

**Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.**

Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 W/2 of Sections 17 and 20, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Blue Ridge 20 AV Fed Com 27H** and the **Blue Ridge 20 SB Fed Com 28H** 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 wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 12.6 miles southeast of Malaga, New Mexico.

**28. Case No. 21107:** [Continued to March 19, 2020]

**Application of Tap Rock Resources, LLC to allow it to drill infill wells under Division Order No. R-20583, Lea County, New Mexico.** Tap Rock Resources, LLC seeks an order allowing it to drill infill wells in the Bone Spring formation underlying a (proximity tract) horizontal spacing unit comprised of the E/2W/2 and the W/2E/2 of Section 11, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. The well unit is subject to Division Order No. R-20538 issued to COG Operating LLC. The unit will be dedicated to the **Mandelbaum Fee Well Nos. 122H, 123H, 142H, 143H, 192H, and 193H**. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 17-1/2 miles northwest of Jal, New Mexico.

**29. Case No. 21108:** [Continued to March 19, 2020]

**Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 15 and the N/2S/2 of Section 14, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the **Ted 1514 Fed. Com. Well No. 123H**, with a first take point in the NW/4SW/4 of Section 15 and a final take point in the NE/4SE/4 of Section 14. 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 Matador Production Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is centered approximately 19 miles east-southeast of Lakewood, New Mexico.

**30. Case No. 21109:** [Continued to March 19, 2020]

**Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 15 and the N/2S/2 of Section 14, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the **Ted 1514 Fed. Com. Well No. 203H**, with a first take point in the NW/4SW/4 of Section 15 and a final take point in the NE/4SE/4 of Section 14. 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 Matador Production Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is centered approximately 19 miles east-southeast of Lakewood, New Mexico.

**31. Case No. 21110:** [Continued to March 19, 2020]

**Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 15 and the S/2S/2 of Section 14, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the **Ted 1514 Fed. Com. Well No. 124H**, with a first take point in the SW/4SW/4 of Section 15 and a final take point in the SE/4SE/4 of Section 14. 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 Matador Production Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is centered approximately 19 miles east-southeast of Lakewood, New Mexico.

**32. Case No. 21111:** [Continued to March 19, 2020]

**Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 15 and the S/2S/2 of Section 14, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the **Ted 1514 Fed. Com. Well No. 204H**, with a first take

point in the SW/4SW/4 of Section 15 and a final take point in the SE/4SE/4 of Section 14. 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 Matador Production Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is centered approximately 19 miles east-southeast of Lakewood, New Mexico.

**33. Case No. 21112: [Dismissed]**

**Application of Chevron Production Company for compulsory pooling, Eddy County, New Mexico.**

Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre horizontal spacing unit comprised of the W/2 of Sections 25 and 36, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the following proposed wells: (1) The **CB CAL 25 36 State Com 08 #302H Well** to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 25 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 36; and (2) The **CB CAL 25 36 State Com 08 #301H Well** and (3) the **CB CAL 25 36 State Com 08 #303H Well** to be horizontally drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 25 to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 36. The completed interval for the **CB CAL 25 36 State Com 08 #303H Well** will be within 330' of the W/2 W/2 of Sections 25 and 36 to allow inclusion of these proximity tracts in a standard 640-acre horizontal well spacing comprised of W/2 of Sections 25 and 36. Also, to be considered will be the cost of drilling and completing the wells, 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 3 miles southeast of Loving, New Mexico.

**34. Case No. 21113: Application of Chevron Production Company for compulsory pooling, Eddy County, New Mexico.**

Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 640-acre horizontal spacing unit comprised of the W/2 of Sections 25 and 36, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the following proposed wells: (1) The **CB CAL 25 36 State Com 08 #401H Well** to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 25 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 36; and (2) The **CB CAL 25 36 State Com 08 #402H Well** and (3) the **CB CAL 25 36 State Com 08 #403H Well**, both are to be horizontally drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 25 to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 36. Pursuant to the Special Rules for the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220), the completed interval for each of these proposed initial wells will comply with the 330-foot setback requirement. Also, to be considered will be the cost of drilling and completing the wells, 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 3 miles southeast of Loving, New Mexico.

**35. Case No. 21114: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.**

Applicant seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 640-acre, more or less, standard horizontal spacing unit comprised of the S/2 of Section 17 and the S/2 of Section 16, Township 20 South, Range 29 East, NMPM, in Eddy County. The horizontal spacing unit will be dedicated to the following wells: **Glock 17/16 WOLI Fed Com #1H** well, which will be horizontally drilled from a surface location in Unit L in Section 17 to a bottom hole location in Unit H in Section 16, Township 20 South, Range 29 East; and the **Glock 17/16 WOMP Fed Com #1H** well, which will be horizontally drilled from a surface location in Unit M in Section 17 to a bottom hole location in Unit P in Section 16, Township 20 South, Range 29 East. The completed intervals for the wells will be orthodox. Also to be considered will be the costs of drilling and completing the wells and the allocation of the costs, the designation of Mewbourne Oil Company 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 thirteen (13) miles northeast of Carlsbad, New Mexico.

**36. Case No. 21115: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all uncommitted mineral interests in the Bone Spring formation in a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Section 17 and the S/2 N/2 of Section 16, Township 20 South, Range 29 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the **Glock 17/16 B3EH Fed Com #1H** well, which will be horizontally drilled from a surface location in Unit L in Section 17 to a bottom hole location in Unit H in Section 16, Township 20 South, Range 29 East. The completed interval for the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of Mewbourne Oil Company as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately thirteen (13) miles northeast of Carlsbad, New Mexico.

**37. Case No. 21116: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all uncommitted mineral interests in the Bone Spring formation in a 640-acre, more or less, proximity tract horizontal spacing unit comprised of the S/2 of Section 17 and the S/2 of Section 16, Township 20 South, Range 29 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the **Glock 17/16 B3MP Fed Com #1H** well, which will be horizontally drilled from a surface location in Unit M in Section 17 to a bottom hole location in Unit P in Section 16, Township 20 South, Range 29 East. The completed interval for the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of Mewbourne Oil Company as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately thirteen (13) miles northeast of Carlsbad, New Mexico.

**38. Case No. 21117: Application of Steward Energy II, LLC for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all uncommitted mineral interests in the San Andres formation in a 480 acre, more or less, standard horizontal spacing unit comprised of the W/2 of Section 23 and the NW/4 of Section 26, Township 13 South, Range 38 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to the **Felina Fee #5H** well, which will be horizontally drilled from a surface location in Unit L in Section 26 to a bottom hole location in Unit D in Section 23, Township 13 South, Range 38 East. The completed interval for the well will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Steward Energy II, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well location is approximately sixteen (16) miles southeast of Tatum, New Mexico.

**39. Case No. 21118: Application of FAE II Operating, LLC for Approval of a Waterflood Project and to Qualify the Project for the Recovered Oil Tax Rate, Lea County, New Mexico.** Applicant seeks authorization to implement the Arnott Ramsey Waterflood Project by injecting produced water into the Seven Rivers Formation. The Project area will be located on State lands and will include 640 acres, more or less, comprised of Section 32, Township 25 South, Range 37 East in Lea County. To implement the Project, Applicant proposes to convert its **Arnott Ramsay NCT-B #11** well from a producer to an injector. The well is located in Unit L in Section 32, Township 25 South, Range 37 East and will have an injection interval of approximately 3,170 to 3,290 feet. Applicant also proposes to complete the following new injection wells within the Project area: (1) **Arnott Ramsay NCT-B #14** well, which will be located in Unit D in Section 32, Township 25 South, Range 37 East and will have an injection interval of approximately 3,100 to 3,300 feet; (2) **Arnott Ramsay NCT-B #15** well, which will be located in Unit E in Section 32,

Township 25 South, Range 37 East and will have an injection interval of approximately 3,100 to 3,300 feet; (3) **Arnott Ramsay NCT-B #16** well, which will be located in Unit G in Section 32, Township 25 South, Range 37 East and will have an injection interval of approximately 3,050 to 3,300 feet; (4) **Arnott Ramsay NCT-B #17** well, which will be located in Unit J in Section 32, Township 25 South, Range 37 East and have an injection interval of approximately 3,050 to 3,300 feet; (5) **Arnott Ramsay NCT-B #18** well, which will be located in Unit C in Section 32, Township 25 South, Range 37 East and have an injection interval of approximately 3,050 to 3,300 feet; and (6) **Arnott Ramsay NCT-B #19** well, which will be located in Unit I in Section 32, Township 25 South, Range 37 East and have an injection interval of approximately 3,050 to 3,300 feet. The proposed maximum injection rate for the wells is 800 barrels per day at a maximum injection pressure of approximately 610 to 630 psi, depending on the depth of the well. Applicant also requests: (1) authorization to obtain administrative approval of additional injection wells within the Project area and expand the Project without the necessity of additional hearings; and (2) qualification of the Project for the Recovered Oil Tax Rate. The Project acreage is located approximately one-half mile South of Jal, New Mexico.

**40. Case No. 21119: Application of Devon Energy Production Company, L.P. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 640-acre, more or less, horizontal spacing and proration unit comprised of the E/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (LAGUNA SALADO; BONE SPRING [Pool Code 96721]) underlying the unit. Said horizontal spacing unit is to be dedicated to the **Hot Potato 26-23 Fed Com 333H Well**, an oil well, proposed to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 26, approximately 325' FSL and 1499' FEL, more or less, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 23, approximately 20' FNL and 1254' FEL, more or less. The **Hot Potato 26-23 Fed 333H Well** is the Defining Well for the HSU. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; downhole commingling; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 2 miles east of Loving, New Mexico, and approximately 10 miles southeast of Carlsbad, New Mexico.

**41. Case No. 21120: Application of Devon Energy Production Company, L.P. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2 W/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (LAGUNA SALADO; BONE SPRING [Pool Code 96721]) underlying the unit. Said horizontal spacing unit is to be dedicated to the **Hot Potato 26-23 Fed Com 399H Well**, an oil well, proposed to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 26, approximately 325' FSL and 1802' FWL, more or less, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 23, approximately 20' FNL and 2148' FWL, more or less. The **Hot Potato 26-23 Fed 399H Well** is the Defining Well for the HSU. Applicant also proposes the **Hot Potato 26-23 Fed Com 332H Well**, an infill oil well, to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 26, approximately 325' FSL and 1022' FWL, more or less, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 23, approximately 20' FNL and 2178' FWL, more or less. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; downhole commingling; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 2 miles east of Loving, New Mexico, and approximately 10 miles southeast of Carlsbad, New Mexico.

**42. Case No. 21121: Application of Devon Energy Production Company, L.P. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the W/2 W/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (LAGUNA SALADO; BONE SPRING [Pool Code 96721]) underlying the unit. Said horizontal spacing unit is to be dedicated to the **Hot Potato 26-23 Fed 331H Well**, an oil well, proposed to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 26, approximately 325' FSL and 962' FWL, more or less, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 23, approximately 20' FNL and 330' FWL, more or less. The **Hot Potato 26-23 Fed 331H Well** is the Defining Well for the HSU. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; downhole commingling; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 2 miles east of Loving, New Mexico, and approximately 10 miles southeast of Carlsbad, New Mexico.

**43. Case No. 21122: Application of Devon Energy Production Company, L.P. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division: (1) establishing a 640 acre, more or less, horizontal spacing and proration unit comprised of the E/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation (PURPLE SAGE; WOLFCAMP [Pool Code 98220]), a gas field, underlying the unit. Said horizontal spacing unit is to be dedicated to two proposed wells, the **Hot Potato 26-23 Fed Com 622H Well**, to be horizontally drilled from a surface location in SW/4 SE/4 (Unit O) of Section 26, approximately 325' FSL and 1559' FEL, more or less, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 23, approximately 20' FNL and 2178' FEL, more or less; and the **Hot Potato 26-23 Fed Com 712H Well**, proposed to be horizontally drilled from a surface location in SW/4 SE/4 (Unit O) of Section 26, approximately 325' FSL and 1529' FEL, more or less, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 23, approximately 20' FNL and 1716' FEL, more or less. Devon will request approval of nonstandard locations and downhole commingling. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 2 miles east of Loving, New Mexico, and approximately 10 miles southeast of Carlsbad, New Mexico.

**44. Case No. 21123: Application of Devon Energy Production Company, L.P. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division: (1) establishing a 640 acre, more or less, horizontal spacing and proration unit comprised of the W/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation (PURPLE SAGE; WOLFCAMP [Pool Code 98220]), a gas field, underlying the unit. Said horizontal spacing unit is to be dedicated to two proposed wells, the **Hot Potato 26-23 Fed Com 621H Well**, proposed to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 26, approximately 325' FSL and 992' FWL, more or less, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 23, approximately 20' FNL and 1254' FWL, more or less; and the **Hot Potato 26-23 Fed Com 711H Well**, proposed to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 26, approximately 325' FSL and 1772' FWL, more or less, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 23, approximately 20' FNL and 1716' FWL, more or less. Devon will request approval of nonstandard locations and downhole commingling. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for

supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 2 miles east of Loving, New Mexico, and approximately 10 miles southeast of Carlsbad, New Mexico.

**45. Case No. 21124: Application of Chevron U.S.A. Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre horizontal spacing unit comprised of the E/2 W/2 of Sections 25 and 36, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the following proposed wells, both of which are to be horizontally drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 25 to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 36: (1) The **CB CAL 25 36 State Com 08 #301H Well**, and (2) the **CB CAL 25 36 State Com 08 #303H Well**. The completed intervals of these wells will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, 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 3 miles southeast of Loving, New Mexico.

**46. Case No. 21125: Application of Chevron U.S.A. Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre horizontal spacing unit comprised of the W/2 W/2 of Sections 25 and 36, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed initial **CB CAL 25 36 State Com 08 #302H Well** to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 25 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 36. The completed interval of this well will comply with statewide setbacks for oil wells. 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 3 miles southeast of Loving, New Mexico.

**47. Case No. 21126: Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp (Purple Sage; Wolfcamp (Gas) Pool) formation underlying a 640-acre standard horizontal spacing unit comprised of the E/2 of Sections 2 and 11, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells:

- The **Shetland 2-11 State Fed Com 333H** well to be horizontally drilled from common surface hole locations in the NE/4 NE/4 (Unit A) of Section 2 to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 11.

- The **Shetland 2-11 State Fed Com 613H** well, and the **Shetland 2-11 State Fed Com 713H** well, both of which are to be horizontally drilled from common surface hole locations in the NE/4 NE/4 (Unit A) of Section 2 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 11.

Also to be considered will be the cost of drilling and completing the wells, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of the Applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 24 miles southeast of Loving, New Mexico.

**48. Case No. 21127: Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp (Purple Sage; Wolfcamp (Gas) Pool) formation underlying a 640-acre standard horizontal spacing unit comprised of the W/2 of Sections 2 and 11, Township 26 South,

Range 31 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells:

- The **Shetland 11-2 Fed State Com 611H** well, the **Shetland 11-2 Fed State Com 711H** well, and the **Shetland 11-2 Fed State Com 731H** well, all of which are to be horizontally drilled from common surface hole locations in the SW/4 SW/4 (Unit M) of Section 11 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 2.
- The **Shetland 11-2 Fed State Com 712H** well and the **Shetland 11-2 Fed State Com 732H** well, both of which are to be horizontally drilled from common surface hole locations in the SE/4 SW/4 (Unit N) of Section 11 to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 2.

Also to be considered will be the cost of drilling and completing the wells, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of the Applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 24 miles southeast of Loving, New Mexico.

**49. Case No. 21128: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C [98234]) in a standard 160-acre, more or less, horizontal spacing and proration unit comprised of the W/2 SW/4 of Section 29, Township 26 South, Range 35 East, and the NW/4 NW/4 and Lot 4 of Section 32, Township 26 South, Range 35 East, in Lea County, New Mexico. Section 32 is an irregular section that sits on the Texas border in which the NW/4 NW/4 and Lot 4 would effectively comprise the W/2 NW/4 if it were a standard 640-acre section. Said horizontal spacing unit is to be dedicated to the proposed **El Campeon South 29-32 Fed 431H** well, to be horizontally drilled from an approximate surface hole location 1834' FNL and 664' FWL of Section 29-T26S-R35E, to an approximate bottom hole location 0' FSL and 690' FWL of the 320-acres in Section 32-T26S-R35E. The completed interval and first and last take points for the El Campeon South 29-32 Fed 431H well will meet statewide setback requirements for horizontal oil wells. 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 Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 14 miles southwest of Jal, New Mexico.

**50. Case No. 21129: Application of Longwood Water Management Company, LLC For Authorization to Inject into the Flowers SWD No. 3 Well For Purposes of Disposal, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order authorizing it to drill and operate an injection well for purposes of disposing produced salt water to be named the **Flowers SWD No. 3 Well** (API No. 30-015-pending), to be located 1153 feet from the north line and 858 feet from the west line (Unit D), Section 21, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico. Injection would be into the Devonian formation [SWD; Devonian (Pool Code 96101)] through an open-hole completion between 16,927 feet and 17,871 feet below the ground. Disposal fluid will be produced water from producing oil and gas wells in the area. Average disposal volume will be 50,000 bpd with a maximum of 60,000 bpd. Average injection pressure will be 2,500 psi with a maximum injection pressure of 3,385 psi. The subject well will be located approximately 20 miles southeast of Malaga, N.M.

**51. Case No. 21130: Application of Texland Petroleum-Hobbs, L.L.C. for Approval of a Waterflood Unit Agreement, Authorization to Inject into the Murphy #1 Well, and to Qualify for the Recovered Oil Tax Rate, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order approving its waterflood unit agreement and authorizing a waterflood project in the within the Drinkard formation, Garrett; Drinkard Pool (Pool Code 27130), underlying approximately 240.00 acres, more or less, of the following State Trust lands situated in Lea County, New Mexico: TOWNSHIP 16 SOUTH, RANGE 38 EAST, N.M.P.M.; Section 30: SE/4 NW/4, S/2 NE/4; Section 29: SE/4 NW/4, E/2 NW/4. The Unitized

Interval is the stratigraphic equivalent of one hundred feet above the top of the Drinkard formation and continuing to one hundred feet below the base of the Drinkard formation, covering a true vertical depth of 8,145 feet to 8,748 feet beneath the surface of the ground as shown on the Gamma Ray Compensated Neutron-Density Log in Yates Petroleum's Lazarus ARV No. 1 well, located 2,100 feet from the North line and 990 feet from the East line of Section 30, Township 16 South, Range 38 East, N.M.P.M., Lea County, New Mexico. Texland also seeks authority to convert its **Murphy #1 Well** (API 30-025-37372) to injection for purposes of conducting a waterflood operation to support a waterflood project and to convert future wells within the Unit Area/Project area to injection administratively without the necessity of further hearings pursuant to 19.15.26.8.F.5 NMAC. The **Murphy #1 Well** is located 1,705 feet from the north line and 2,220 feet from the east line of Section 30, Township 16 South, Range 38 East, Lea County, New Mexico. The injection of produced water will occur in the Drinkard formation, Garrett; Drinkard Pool, within the unitized interval at a depth of approximately 8,212 feet to 8,451 feet deep. The maximum proposed daily injection rate will be 750 barrels per day with an average daily injection rate of 300 barrels per day. The average surface injection pressure will be 1,500 psig, and the maximum surface injection pressure will be 1,642 psig. The subject acreage is located approximately 12 miles north of Hobbs, New Mexico.

**52. Case No. 21131: Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 29 and the E/2E/2 of Section 20, Township 19 South, Range 35 East, NMPM. The unit will be dedicated to the **Hereford 29/20 B1PA State Com. Well No. 1H**, with a first take point in the SE/4SE/4 of Section 29 and a last take point in the NE/4NE/4 of Section 20. 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 cost plus 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 13 miles west-northwest of Monument, New Mexico.

**53. Case No. 21132: Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 29 and the W/2E/2 of Section 20, Township 19 South, Range 35 East, NMPM. The unit will be dedicated to the **Hereford 29/20 W1OB Fed. Com. Well No. 1H**, with a first take point in the SW/4SE/4 of Section 29 and a last take point in the NW/4NE/4 of Section 20. 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 cost plus 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 13 miles west-northwest of Monument, New Mexico.

**54. Case No. 21133: Application of SPC Resources, LLC for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 633.53-acre, more or less, horizontal well spacing unit comprised of the N/2 of Section 7, Township 22 South, Range 27 East, and the N/2 of Section 12, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the above-referenced spacing unit to the proposed (1) **Hanna #201H** well, and (2) **Hanna #301H** well, both of which are to be horizontally drilled from a common surface location in the SW/4 NW/4 (Unit E) of Section 8, Township 22 South, Range 27 East, to bottom-hole locations in the NW/4 NW/4 (Unit D) of Section 12. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the wells, and

the imposition of a 200% charge for risk involved in drilling and completing each well. Portions of said area are located within the city limits of Carlsbad, New Mexico.

**55. Case No. 21134: Application of Kaiser-Francis Oil Company for compulsory pooling, Lea County, New Mexico.** Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2 of Section 32, Township 23 South, Range 34 East, N.M.P.M. and Lots 1, 2, and the S/2NE/4 (the NE/4) of Section 5, Township 24 South, Range 34 East, N.M.P.M. The unit will be dedicated to (i) the **Bell Lake Unit South Well No. 234H**, with a first take point in the SW/4NE/4 of Section 5 and a last take point in the NW/NE/4 of Section 32, and (ii) the **Bell Lake Unit South Well No. 236H**, with a first take point in the SE/4NE/4 of Section 5 and a last take point in the NE/NE/4 of Section 32. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a cost plus 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 20-1/2 miles southwest of Eunice, New Mexico.

**56. Case No. 21135: Application of Kaiser-Francis Oil Company for compulsory pooling, Lea County, New Mexico.** Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2 of Section 32, Township 23 South, Range 34 East, N.M.P.M. and Lots 1, 2, and the S/2NE/4 (the NE/4) of Section 5, Township 24 South, Range 34 East, N.M.P.M. The unit will be dedicated to (i) the **Bell Lake Unit South Well No. 434H**, with a first take point in the SW/4NE/4 of Section 5 and a last take point in the NW/NE/4 of Section 32, and (ii) the **Bell Lake Unit South Well No. 436H**, with a first take point in the SE/4NE/4 of Section 5 and a last take point in the NE/NE/4 of Section 32. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a cost plus 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 20-1/2 miles southwest of Eunice, New Mexico.

**57. Case No. 21136:** [Continued to March 19, 2020]

**Application of Longfellow Energy, LP for Compulsory Pooling and Approval of Non-Standard Location, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Empire; Glorieta-Yeso, East formation (96610) in a standard 160-acre, more or less, horizontal spacing and proration unit comprised of the N/2 N/2 of Section 20, Township 17 South, Range 29 East, in Eddy County, New Mexico. Said horizontal spacing unit is to be dedicated to the proposed **Janis State 20A 001H** well, to be horizontally drilled from an approximate surface hole location 732' FNL and 320' FEL of Section 20, T17S-R29E, to an approximate bottomhole location 100' FNL and 20' FWL of Section 20, T17S-R29E. The first and last take points meet the setback requirements set forth in the statewide rules, but the completed interval for the **Janis State 20A 001H** well is not within the designated minimum setback set forth in the statewide rules. Applicant will therefore be seeking approval of a non-standard location if its administrative application is protested. 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 Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 6.5 miles west of Loco Hills, New Mexico.

**58. Case No. 21137: Application of Kaiser-Francis Oil Company for compulsory pooling, Eddy County, New Mexico.** Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2 of Section 24, Township 23 South, Range 28 East, NMPM and Lots 3, 4, E/2SW/4, and SE/4 (the S/2) of Section 19, Township 23

South, Range 29 East, NMPM. The unit will be dedicated to the **Brantley Fee 2419 WC Well No. 1H**, with a first take point in the NW/4SW/4 of Section 24 and a last take point in the NE/4SE/4 of Section 19. 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 cost plus 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 4-1/2 miles southwest of Malaga, New Mexico.

**59. Case No. 21138:** [Continued to March 19, 2020]

**Application of Longfellow Energy, LP for Compulsory Pooling and Approval of Non-Standard Location, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Empire; Glorieta-Yeso, East formation (96610) in a standard 160-acre, more or less, horizontal spacing and proration unit comprised of the S/2 N/2 of Section 20, Township 17 South, Range 29 East, in Eddy County, New Mexico. Said horizontal spacing unit is to be dedicated to the proposed **Janis State 20B 001H** well, to be horizontally drilled from an approximate surface hole location 752' FNL and 320' FEL of Section 20, T17S-R29E, to an approximate bottomhole location 1419' FNL and 20' FWL of Section 20, T17S-R29E. The first and last take points meet the setback requirements set forth in the statewide rules, but the completed interval for the **Janis State 20B 001H** well is not within the designated minimum setback set forth in the statewide rules. Applicant will therefore be seeking approval of a non-standard location if its administrative application is protested. 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 Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 6.5 miles west of Loco Hills, New Mexico.

**60. Case No. 21139:** [Continued to March 19, 2020]

**Application of Longfellow Energy, LP for Compulsory Pooling and Approval of Non-Standard Location, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Empire; Glorieta-Yeso, East formation (96610) in a standard 160-acre, more or less, horizontal spacing and proration unit comprised of the S/2 S/2 of Section 17, Township 17 South, Range 29 East, in Eddy County, New Mexico. Said horizontal spacing unit is to be dedicated to the proposed **Angus Federal 17D 001H** well, to be horizontally drilled from an approximate surface hole location 1173' FSL and 154' FEL of Section 17, T17S-R29E, to an approximate bottomhole location 1250' FSL and 20' FWL of Section 17, T17S-R29E. The first and last take points meet the setback requirements set forth in the statewide rules, but the completed interval for the **Angus Federal 17D 001H** well is not within the designated minimum setback set forth in the statewide rules. Applicant will therefore be seeking approval of a non-standard location if its administrative application is protested. 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 Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 6.5 miles west of Loco Hills, New Mexico.

**61. Case No. 21140: Application of Chisholm Energy Operating, LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 240-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of irregular Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the following initial **Minis 1 Fed Com 3BS #4H** well to be horizontally drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 1 to bottom hole location in the SW/4 SW/4 (Unit M) of Section 1. The completed interval of the proposed well will comply with Statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for

supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing each well. Said area is located approximately 30 miles west of Eunice, New Mexico.

**62. Case No. 21141: Application of Chisholm Energy Operating, LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 240-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of irregular Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the following initial **Minis 1 Fed Com 3BS #5H** well to be horizontally drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 1 to bottom hole location in the SE/4 SW/4 (Unit N) of Section 1. The completed interval of the proposed well will comply with Statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing each well. Said area is located approximately 30 miles west of Eunice, New Mexico.

**63. Case No. 21142: Application of Trove Energy and Water, LLC for approval of a salt water disposal well, Lea County, New Mexico.** Applicant seeks an order approving disposal of produced water at depths of approximately 17750 - 19015 feet subsurface into the proposed **WLC South Fed. SWD Well No. 3**, to be located 1768 feet from the south line and 240 feet from the east line of Section 26, Township 26 South, Range 33 East, NMPM. The well is located approximately 19.5 miles west-southwest of Bennett, New Mexico.

**64. Case No. 21143: Application of Chisholm Energy Operating, LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 240-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of irregular Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the following initial **Minis 1 Fed Com WCA #13H** well to be horizontally drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 1 to bottom hole location in the SE/4 SW/4 (Unit N) of Section 1. The completed interval of the proposed well will comply with Statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing each well. Said area is located approximately 30 miles west of Eunice, New Mexico.

**65. Case No. 21056:** [Continued from February 20, 2020]

**Application of San Mateo Stebbins Water Management, LLC for approval of a salt water disposal well, Eddy County, New Mexico.** Applicant seeks an order approving disposal of produced water into the Devonian formation at depths of approximately 13103 - 14083 feet subsurface into the **Jim Pat SWD Well No. 4**, to be located 3745 feet from the south line and 1716 feet from the west line (Lot 14) of Section 4, Township 21 South, Range 28 East, NMPM. The maximum injection rate will be 45000 BWPD and the maximum injection pressure will be 2620 psi. The well is located approximately 10-1/2 miles northeast of Carlsbad, New Mexico.