

this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Southwestern, Inc. (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

14. Case No. 15706: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Sovereign Eagle, LLC, for a Well Operated in Roosevelt County, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, (“Bureau”) through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Sovereign Eagle, LLC (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

15. Case No. 15689: (Continued from the May 11, 2017 Examiner Hearing.)

Application of Mewbourne Oil Company for a nonstandard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 480 acre non-standard spacing and proration unit in the Wolfcamp formation underlying the SE $\frac{1}{4}$ of Section 23 and the E $\frac{1}{2}$ of Section 24, Township 24 South, Range 28 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to (a) the **Queen 23/24 W0OP Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23 and a terminus in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24, and (b) the **Queen 23/24 W2OP Fed. Com. Well No. 2H**, a horizontal well with a surface location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23 and a terminus in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24. The beginning and end of the producing interval in each well will be orthodox. 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 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 2-1/2 miles southeast of Malaga, New Mexico.

16. Case No. 15707: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Tactical Oil & Gas, LLC, for a Well Operated in Eddy County, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, (“Bureau”) through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD or Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Tactical Oil & Gas, LLC (“Operator”) is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

17. Case No. 15708: Application of Matador Production Company for administrative approval for off-lease measurement and approval to surface lease commingle oil and gas production from the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) from all existing and future wells and existing and future leases in the N/2 of Section 13 and the N/2 of Section 14, Township 23 South, Range 27 East, NMPM, in Eddy County, New Mexico. Pursuant to 19.15.12.10(C)(4)(g), Matador also seeks authority to commingle production into the Longwood RB Pipeline, with notice provided only to interest owners within future leases. Matador seeks approval to surface commingle oil and gas production at a common tank battery from the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) for all existing and future wells at a surface facility located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ (Unit H) of Section 14. Said area is located approximately 9 miles southeast of Carlsbad, New Mexico.

18. Case No. 15709: Application of Matador Production Company for administrative approval for off-lease measurement and approval to surface lease commingle oil and gas production from the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) from all existing and future wells and existing and future leases in the S/2 of Section 13 and the S/2 of Section 14, Township 23 South, Range 27 East, NMPM, in Eddy County, New Mexico. Pursuant to 19.15.12.10(C)(4)(g), Matador also seeks authority to commingle production into the Longwood RB Pipeline, with notice provided only to interest owners within future leases. Matador seeks approval to surface commingle oil and gas production at a common tank battery from the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) for all existing and future wells at a surface facility located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ (Unit I) of Section 14. Said area is located approximately 9 miles southeast of Carlsbad, New Mexico.

19. Case No. 15673: (Continued from the May 11, 2017 Examiner Hearing.)

Application of Mewbourne Oil Company for a nonstandard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 480 acre non-standard spacing and proration unit in the Wolfcamp formation underlying the E $\frac{1}{2}$ of Section 12 and the SE $\frac{1}{4}$ of Section 1, Township 25 South, Range 27 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Devon 12/1 W2PI Fee Com. Well No. 1H**, a horizontal well with a surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of adjoining Section 13, and a terminus in the NE $\frac{1}{4}$ SE $\frac{1}{4}$, of Section 1. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for

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supervision designation of applicant as operator of the well and a 200% charge for the risk involved in drilling and completing the well The unit is located approximately 7 miles southwest of Malaga New Mexico

20 Case No 15671 (Continued from the May 11 2017 Examiner Hearing)

Application of Smith and Marrs Inc for approval of lease pressure maintenance project in Eddy County New Mexico Applicant seeks approval to institute a lease pressure maintenance project in its **Superior State Well #1** located 1980 FNL and 660 FEL Unit H Section 8 Township 25 South Range 30 East NMPM Eddy County New Mexico Applicant intends to inject produced water into the Delaware Sand formation at depths of 3736 3776 feet (perforated) The well is located approximately 10 miles south east of Malaga New Mexico

21 Case No 15655 (Continued from the May 11 2017 Examiner Hearing)

Application of Black Mountain Operating LLC for a Non Standard Oil Spacing and Proration Unit Compulsory Pooling and an Unorthodox Well Location Lea County New Mexico Applicant seeks an order approving a non standard oil spacing and proration unit in the Bone Spring formation comprised of the W/2 SW/4 of Section 35 Township 21 South Range 34 East NMPM Lea County New Mexico and the W/2 W/2 of Section 2 Township 22 South Range 34 East NMPM Lea County New Mexico and pooling all mineral interests in the Bone Spring formation underlying the non standard unit The unit will be dedicated to Applicant s proposed **Gramma Ridge State Com 1H well** to be drilled at an unorthodox location approximately 144 3 feet from the south line and 911 feet from the west line (surface) of Section 2 Township 22 South Range 34 East to 2371 feet from the south line and 330 feet from the west line (terminus) of Section 35 Township 21 South Range 34 East Also to be considered will be the cost of drilling and completing the well and the allocation of the cost the designation of Applicant as Operator of the well and a 200% charge for the risk involved in drilling and completing the well The well and lands are located approximately 17 miles west of Eunice New Mexico

22 Case No 15656 (Continued from the May 11 2017 Examiner Hearing)

Application of Black Mountain Operating LLC for a Non Standard Oil Spacing and Proration Unit Compulsory Pooling and an Unorthodox Well Location Lea County New Mexico Applicant seeks an order approving a non standard oil spacing and proration unit in the Bone Spring formation comprised of the E/2 SW/4 of Section 35 Township 21 South Range 34 East NMPM Lea County New Mexico and the E/2 W/2 of Section 2 Township 22 South Range 34 East NMPM Lea County New Mexico and pooling all mineral interests in the Bone Spring formation underlying the non standard unit The unit will be dedicated to Applicant s proposed **Gramma Ridge State Com 3H well** to be drilled at an unorthodox location approximately 144 3 feet from the south line and 971 feet from the east line (surface) of Section 2 Township 22 South Range 34 East to 2387 feet from the south line and 1707 7 feet from the east line (terminus) of Section 35 Township 21 South Range 34 East Also to be considered will be the cost of drilling and completing the well and the allocation of the cost the designation of Applicant as Operator of the well and a 200% charge for the risk involved in drilling and completing the well The well and lands are located approximately 17 miles west of Eunice New Mexico

23 Case No 15659 (Continued from the May 11 2017 Examiner Hearing)

Application of GMT Exploration Company LLC for a non standard oil spacing and proration unit and compulsory pooling Lea County New Mexico GMT Exploration Company LLC seeks an order approving a 160 acre non standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 2 Township 22 South Range 34 East NMPM Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non standard unit (project area) The unit will be dedicated to the **Pucker Rapid State Com Well No 1H** a horizontal well with a surface location in the SW/4 SW/4 and a terminus in the NW/4 NW/4 of Section 2 The beginning and end of the productive interval will be orthodox Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof as well as actual operating costs and charges for supervision designation of applicant as operator of the well and a 200% charge for the risk involved in drilling and completing the well The unit is located approximately 12 miles west southwest of Oil Center New Mexico

24 Case No 15660 (Continued from the May 11 2017 Examiner Hearing)

Application of GMT Exploration Company LLC for a non standard oil spacing and proration unit and compulsory pooling Lea County New Mexico GMT Exploration Company LLC seeks an order approving a 160 acre non standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 2 Township 22 South Range 34 East NMPM Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non standard unit (project area) The unit will be dedicated to the **Squeeze State Com Well No 1H**, a horizontal well with a surface location in the SE/4 SW/4 and a terminus in the NE/4 NW/4 of Section 2 The beginning and end of the productive interval will be orthodox Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof as well as actual operating costs and charges for supervision designation of applicant as operator of the well and a 200% charge for the risk involved in drilling and completing the well The unit is located approximately 12 miles west southwest of Oil Center New Mexico

25 Case No 15676 (Continued from the April 27 2017 Examiner Hearing)

Application Of Dakota Resources Inc To Reinstate The Injection Authorized By Order SWD 802 Eddy County New Mexico Applicant seeks an order re approving injection authority pursuant to Administrative Order SWD 802 issued in 2001 Order SWD 802 authorized the disposal of produced water into the Bell Canyon member of the Delaware formation from approximately 2 926