DOCKET: OIL CONSERVATION DIVISION HEARINGS - Thursday, April 24, 2025

9:00 a.m. - via MS Teams (login information below)

Virtual Attendance:

Click <u>HERE</u> to be connected to the meeting.

Dial-in by phone:

(505) 312-4308 Phone conference ID: 914 635 942#

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

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

	Case Number	Description
1.	25035	Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above- styled cause seeks an order (a) approving a standard 799.19-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the E2 of Sections 3 and 10, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico, and (b) pooling the uncommitted mineral owners therein. Said unit will be initially dedicated to the following proposed wells:
		• Electra Special 0310 Fed Com 123H and Electra Special 0310 Fed Com 137H wells to be horizontally drilled from a surface location in the NE4 of Section 3, with first take points in the NW4NE4 (Lot 2) of irregular Section 3 and last take points in the SW4SE4 (Unit O) of Section 10; and
		• Electra Special 0310 Fed Com 124H, Electra Special 0310 Fed Com 133H and Electra Special 0310 Fed Com 138H wells to be horizontally drilled from a surface location in the NE4 of Section 3, with first take points in the NE4NE4 (Lot 1) of irregular Section 3 and last take points in the SE4SE4 (Unit P) of Section 10.
		The completed interval of the Electra Special 0310 Fed Com 133H well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of this acreage in a standard horizontal well spacing unit. This proposed horizonal well spacing unit will overlap an existing spacing unit in the Bone Spring formation underlying the E2E2 of Section 10 dedicated to the Hat Mesa 10 Fed Com 2H (30-025-40365) well currently operated by Cimarex Energy Company of Colorado. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling the wells. The subject area is located approximately 33 miles northeast of Carlsbad, New Mexico.
		Setting: Status Conference Joined with Cases: 25037, 25038
2.	25037	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 399.73-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the W2E2 of Sections 3 and 10, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the following proposed Electra Special 0310 Fed Com 203H well to be horizontally drilled from a surface location in the NE4 of Section 3, with a first take point in the

Page 2 of 8

		NW4NE4 (Lot 2) of irregular Section 3 and a last take point in the SW4SE4 (Unit O) of Section 10. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 33 miles northeast of Carlsbad, New Mexico. Setting: Status Conference
		Joined with Cases: 25035, 25038
3.	25038	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 399.46-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the E2E2 of Sections 3 and 10, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Electra Special 0310 Fed Com 204H well to be horizontally drilled from a surface location in the NE4 of Section 3, with a first take point in the NE4NE4 (Lot 1) of irregular Section 3 and a last take point in the SE4SE4 (Unit P) of Section 10. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 33 miles northeast of Carlsbad, New Mexico.
		Setting: Status Conference Joined with Cases: 25035, 25037
4.	25220	Application of FAE II Operating, LLC for Statutory Unitization and Expansion of the Vertical Limits of the Teague (Paddock-Blinebry) Pool, Lea County, New Mexico. Applicant seeks an order: (1) approving the Statutory Unitization of its Lamunyon Unit; and (2) expanding the vertical limits of the Teague (Paddock-Blinebry) pool to include the Teague; Glorieta-Upper Paddock, SW pool within the Unit Area. The proposed Lamunyon Unit comprises approximately 3,960.00 acres, more or less, of the following federal and fee lands located in Lea County, New Mexico ("Unit Area"): Township 23 South, Range 37 East Section 20: E/2 Section 20: E/2 Section 21: All Section 22: W/2 and SW/4 SE/4 Section 28: All Section 29: E/2 NE/4 Section 33: E/2 Section 33: E/2 Section 35: W/2
		The unitized interval is that interval underlying the Unit Area, the vertical limits of which extended from an upper limit described as the top of the Glorieta Formation to a lower limit at the base of the Blinebry Formation; the geologic markers having been previously found to occur at 4,921 feet and 5,930 feet, respectively, in Chevron U.S.A. Inc.'s C. E. Lamunyon #050 well, API 30-025-30525, located 1,310 feet FNL and 210 FEL of Section 28, T-23-S, R-37-E, Lea County, New Mexico, as recorded on the Schlumberger Compensated Neutron Litho-Density log run on March 6, 1989 and measured from a Kelly Busing Elevation of 3,298 feet above sea level.
		Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978, §§ 70-7-1 et seq., will be: the necessity of unit operations; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investments, to each of the tracts in the unit area; the determination of credits and charges to be made among the working interest owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate. Applicant also requests that the vertical limits of the Teague (Paddock-Blinebry) pool be expanded to include the Teague; Glorieta-Upper Paddock, SW pool within the boundaries of the Unit Area. The Unit Area is centered approximately 13.5 miles south of Eunice, New Mexico.

		Setting: Status Conference Joined with Cases: 25221
5.	25221	Application of FAE II Operating, LLC for Approval of an Enhanced Oil Recovery Project and to Qualify the Project for the Recovered Oil Tax Rate, Lea County, New Mexico. Applicant applies for an order approving an enhanced oil recovery project (secondary and tertiary recovery) in the Lamunyon Unit Area by the injection of water and gas into the Glorietta, Paddock, and Blinebry formations in wells located on approximately 3,960.00 acres, more or less, of federal and fee lands in Lea County that include all or parts of: Township 23 South, Range 37 East – Section 20, Section 21, Section 22, Section 27, Section 28, Section 29, Section 33, Section 34, and Section 35. Applicant proposes to inject water into the Glorietta, Paddock, and Blinebry formations through the following wells:
		• C E LAMUNYON #053 (API No. 30-025-33136) o Location: 1,300' FSL & 330' FWL (Unit M), Section 22, Township 23 South, Range 37 East o Injection Interval: 5,270' to 5,330'
		 SALTMOUNT #003 (API No. 30-025-33228) o Location: 990' FSL & 1,300' FEL (Unit P), Section 21, Township 23 South, Range 37 East o Injection Interval: 5,290' to 5,340'
		• C E LAMUNYON #057 (API No. 30-025-33445) o Location: 2,310' FNL & 1,200' FWL (Unit E), Section 27, Township 23 South, Range 37 East o Injection Interval: 5,384' to 5,852'
		• C E LAMUNYON #064 (API No. 30-025-33961) o Location: 50' FNL & 1,340' FWL (Unit C), Section 27, Township 23 South, Range 37 East o Injection Interval: 5,274' to 5,312'
		• C E LAMUNYON #063Y (API No. 30-025-34153) o Location: 1,420' FNL & 1,340' FWL (Unit F), Section 27, Township 23 South, Range 37 East o Injection Interval: 5,280' to 5,330'
		• C E LAMUNYON #066 (API No. 30-025-34202) o Location: 1,300' FNL & 2,520' FWL (Unit C), Section 27, Township 23 South, Range 37 East o Injection Interval: 5,306' to 5,359'
		• C E LAMUNYON #068 (API No. 30-025-34254) o Location: 10' FNL & 330' FWL (Unit D), Section 27, Township 23 South, Range 37 East o Injection Interval: 5,362' to 5,396'
		• C E LAMUNYON #076 (API No. 30-025-35074) o Location: 2,310' FNL & 2,310' FWL (Unit F), Section 27, Township 23 South, Range 37 East o Injection Interval: 5,290' to 5,345'
		Applicant proposes to convert the wells from producers to injectors for waterflood operations and plans to inject water through a closed system of perforations. The proposed average injection pressure is expected to be approximately 950 psi. The expected maximum injection pressure will be calculated relative to the depth of the highest perforation, using a factor of 0.2 psi/ft. Pending results of a step rate test, the maximum injection pressure could potentially be increased to a factor of 0.65 psi/ft. The maximum daily injection rate will be 800 barrels of water per day or as permitted by the Division. Applicant seeks authorization to include additional injection wells within the project administratively. Applicant also requests that the enhanced oil recovery project be qualified for the recovered oil tax rate, pursuant to the Enhanced Oil Recovery Act, NMSA 1978, Sections 7-29A-1 to -5, and New Mexico Oil Conservation Division regulations. The project area is centered approximately 13.5 miles south of Eunice, New Mexico.
		Setting: Status Conference Joined with Cases: 25220

Page 4 of 8

location in the SW/4 SE/4 (Unit O) of Section 35. Also to be considered will be the cost and completing the wells and the allocation of the costs thereof, the operating costs and for supervision, the designation of applicant as operator of the proposed spacing un 200% charge for risk involved in drilling said wells. Said area is located approximately northeast of Carlsbad, New Mexico. Setting: Status Conference	
 7. 25241 Application of Rockwood Energy, LP, for Compulsory Pooling, Lea County, New Applicant in the above-styled cause seeks an order from the Division pooling all unomineral interests in the Bone Spring formation, designated as an oil pool, underlying a 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Sections 2 all in Township18 South, Range 35 East, NMPM, Lea County, New Mexico. The prop to be dedicated to the horizontal spacing unit is the George Mitchell 26/35 State C Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NE/4 (I Section 26 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 35, Tow South, Range 35 East, NMPM, Lea County, New Mexico. The proposed well will be or location, and its take points and completed interval will comply with the setback requunder statewide Rules. Also to be considered will be the costs of drilling and completing and the allocation of the Applicant as Operator of the wells and unit; and a 200% charge for involved in drilling and completing the wells. The wells and lands are located approximiles West of Hobbs, New Mexico. Setting: Status Conference Joined with Cases: 25242 	committed standard 6 and 35, osed well om 526H Unit B) of vnship 18 thodox in uirements the wells vision; the or the risk
 8. 25242 Application of Rockwood Energy, LP, for Compulsory Pooling, Lea County, New Applicant in the above-styled cause seeks an order from the Division pooling all unomineral interests in the Bone Spring formation, designated as an oil pool, underlying a 320-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 21 all in Township18 South, Range 35 East, NMPM, Lea County, New Mexico. The prop to be dedicated to the horizontally arrive from a surface location in the NE/4 NE/4 (I Section 26 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 35, Township Range 35 East, NMPM, Lea County, New Mexico. The prop section 26 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 35, Township Range 35 East, NMPM, Lea County, New Mexico. The proposed well will be or location, and its take points and completed interval will comply with the setback requunder statewide Rules. Also to be considered will be the cost of drilling and completing and the allocation of the Applicant as Operator of the wells and unit; and a 200% charge for involved in drilling and completing the wells. The wells and lands are located approximiles West of Hobbs, New Mexico. Setting: Status Conference Joined with Cases: 25241 	committed standard 6 and 35, osed well om 528H Unit A) of 18 South, thodox in uirements the wells vision; the or the risk
9. 25243 Application of Rockwood Energy, LP, for Compulsory Pooling, Lea County, New	/ Mexico.

Page 5 of 8

		Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 400-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 25 and 36, Township18 South, Range 35 East, NMPM and the W/2 NW/4 of Section 1, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Shepard 25/1 State Com 521H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 25, Township 18 South, Range 35 East, to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 1, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. The proposed well will be orthodox in location, and its take points and completed interval will comply with the setback requirements under statewide Rules. 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 15 miles West of Hobbs, New Mexico.
10.	25244	Application of Rockwood Energy, LP, for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Sections 25 and 36, Township 18 South, Range 35 East, NMPM and the E/2 W/2 of Section 1, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Shepard 25/1 State Com 523H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 25, Township 18 South, Range 35 East, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 1, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. The proposed well will be orthodox in location, and its take points and completed interval will comply with the setback requirements under statewide Rules. 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 15 miles West of Hobbs, New Mexico. Setting: Status Conference Joined with Cases: 25243, 25245, 25246
11.	25245	Application of Rockwood Energy, LP, for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Section 25 and 36, Township 18 South, Range 35 East, NMPM and the W/2 E/2 of Section 1, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Shepard 25/1 State Com 526H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 25, Township 18 South, Range 35 East, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 1, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. The proposed well will be orthodox in location, and its take points and completed interval will comply with the setback requirements under statewide Rules. 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 15 miles West of Hobbs, New Mexico. Setting: Status Conference Joined with Cases: 25243, 25244, 25246
12.	25246	Application of Rockwood Energy, LP, for Compulsory Pooling, Lea County, New Mexico.

Page 6 of 8

		Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 25 and 36, Township 18 South, Range 35 East, NMPM and the E/2 E/2 of Section 1, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Shepard 25/1 State Com 528H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 25, Township 18 South, Range 35 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 1, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. The proposed well will be orthodox in location, and its take points and completed interval will comply with the setback requirements under statewide Rules. 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 15 miles West of Hobbs, New Mexico.
13.	25272	Application of Tap Rock Operating, LLC for Approving a Standard Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) approving a 1,920-acre, more or less, standard horizontal spacing and proration unit composed of all of Section 34, Township 25 South, Range 25 East, N.M.P.M., and all of Sections 3 and 10, Township 26 South, Range 25 East, N.M.P.M.; and (2) pooling all uncommitted mineral interests in the Purple Sage-Wolfcamp Gas Pool, designated as a gas pool, underlying said unit. The proposed wells to be dedicated to the horizontal spacing unit are the: PBR Fed Com 202H (API No. Pending), which is a gas well that will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 34, Township 25 South, Range 25 East, to a bottom hole location in the Purple Sage-Wolfcamp Gas Pool in the SE/4 SW/4 (Unit N) of Section 10, Township 26 South, Range 25 East; the PBR Fed Com 204H (API No. Pending), which is a gas well that will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 34, Township 25 South, Range 25 East, to a bottom hole location in the Purple Sage-Wolfcamp Gas Pool in the SE/4 SE/4 (Unit P) of Section 10, Township 26 South, Range 25 East; the PBR Fed Com 211H (API No. Pending), which is a gas well that will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 34, Township 25 South, Range 25 East, to a bottom hole location in the Purple Sage- Wolfcamp Gas Pool in the SW/4 SW/4 (Unit M) of Section 10, Township 26 South, Range 25 East, and; the PBR Fed Com 213H (API No. Pending), which is a gas well that will be horizontally drilled from a surface location in the Purple Sage-Wolfcamp Gas Pool in the SW/4 SE/4 (Unit O) of Section 10, Township 26 South, Range 25 East, and; the PBR Fed Com 213H (API No. Pending), which is a gas well that will be horizontally drilled from a surface location in the Purple Sage-Wolfcamp Gas Pool in th
14.	25273	 Application of Burnett Oil Company, Inc. for approval of a non-standard spacing unit and compulsory pooling, Eddy County, New Mexico: Burnett Oil Company, Inc. has filed an application with the New Mexico Oil Conservation Division requesting approval of a non-standard spacing unit in the Atoka Glorieta-Yeso Pool (Pool Code 3250) comprised of all of Section 24, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico (the "Unit), and pooling all uncommitted mineral interest owners in the Glorieta-Yeso formation underlying the Unit. Applicant proposes to drill the following wells in the Unit: (a) The Horned Frog Well No. 11H, with a first take point in the NE/4NE/4 and a final take point in the NW/4NW/4 of Section 24; (b) The Horned Frog Well No. 32H, with a first take point in the NE/4NE/4 and a final take point in the BW/4NW/4 of Section 24; (c) The Horned Frog Well No. 13H, with a first take point in the SE/4NE/4 and a final take point in the SW/4NW/4 of Section 24; (d) The Horned Frog Well No. 34H, with a first take point in the SE/4NE/4 and a final take point in the SW/4NW/4 of Section 24;

		 in the SW/4NW/4 of Section 24; (e) The Horned Frog Well No. 15H, with a first take point in the NE/4NE/4 and a final take point in the NW/4NW/4 of Section 24; (f) The Horned Frog Well No. 36H, with a first take point in the NE/4SE/4 and a final take point in the NW/4SW/4 of Section 24; (g) The Horned Frog Well No. 17H, with a first take point in the NE/4SE/4 and a final take point in the NW/4SW/4 of Section 24; (h) The Horned Frog Well No. 38H, with a first take point in the SE/4SE/4 and a final take point in the SW/4SW/4 of Section 24; (h) The Horned Frog Well No. 19H, with a first take point in the SE/4SE/4 and a final take point in the SW/4SW/4 of Section 24; and (i) The Horned Frog Well No. 19H, with a first take point in the SE/4SE/4 and a final take point in the SW/4SW/4 of Section 24. Also to be considered will be the cost of drilling, completing, testing, and equipping the wells, and the allocation of the cost thereof among the wells' working interest owners, designation of Applicant as operator of the wells and the Unit, approval actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure, and setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells in the event a working interest owner elects not to participate in the wells. The Unit is located approximately 4 miles southeast of Atoka, New Mexico.
15.	25283	Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying 320-acre, more or less, standard horizontal spacing unit comprised of Lot 3, NE/2 SW/4, N/2 SE/4 (N/2 S/2 equivalent) of irregular Section 7, and the N/2 S/2 of Section 8, Township 20 South, Range 27 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Fiero 7 Fed Com 133H well ("Well"), which will be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 9 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 7. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well, the allocation of the costs, the designation of Applicant as operator of the Unit and the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 11.3 miles northwest of Carlsbad, New Mexico.
16.	25284	Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying 320-acre, more or less, standard horizontal spacing unit comprised of Lot 4, SE/4 SW/4, S/2 SE/4 (S/2 S/2 equivalent) of irregular Section 7, and the S/2 S/2 of Section 8, Township 20 South, Range 27 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Fiero 7 Fed Com 134H well ("Well"), which will be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 9 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 7. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well, the allocation of the costs, the designation of Applicant as operator of the Unit and the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 11.3 miles northwest of Carlsbad, New Mexico.
17.	25288	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order an order pooling a non-standard 1,920-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying All of Sections 8, 17, and 20, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. This spacing unit will be initially dedicated to the proposed High Sea 8/20 Fed Com

Page 8 of 8

#522H well, with a surface location in the SW/4 SE/4 (Unit O) of Section 5 and a bottom hole location in the SW/4 SW/4 (Unit M) of Section 20; High Sea 8/20 Fed Com #524H well, with a surface location in the SW/4 SE/4 (Unit O) of Section 5 and a bottom hole location in the SE/4 SW/4 (Unit N) of Section 20; High Sea 8/20 Fed Com #526H well, with a surface location in the SW/4 SE/4 (Unit O) of Section 5 and a bottom hole location in the SW/4 SE/4 (Unit O) of Section 5 and a bottom hole location in the SW/4 SE/4 (Unit O) of Section 5 and a bottom hole location in the SW/4 SE/4 (Unit O) of Section 5 and a bottom hole location in the SW/4 SE/4 (Unit O) of Section 5 and a bottom hole location in the SE/4 SE/4 (Unit O) of Section 5 and a bottom hole location in the SE/4 SE/4 (Unit P) of Section 20. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 14 miles west of Hobbs, New Mexico.

Setting: Status Conference Joined with Cases: 25289

To be added once continuance is filed:

18. 25193 Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: pooling all mineral interests in the Bone Spring formation, designated as an oil pool, underlying a non-standard 1,906.34-acre, more or less, horizontal spacing unit comprised of all of Sections 36, 35, and 34, all in Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the Angel Ranch 36-34 Fed Com #221H Well, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 36 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 34; the Angel Ranch 36-34 Fed Com #231H Well, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 36 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 34; the Angel Ranch 36-34 Fed Com #222H Well, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 36 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 34; the Angel Ranch 36-34 Fed Com #232H Well, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 36 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 34; the Angel Ranch 36-34 Fed Com #223H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 36 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 34; the Angel Ranch 36-34 Fed Com #233H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 36 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 34; the Angel Ranch 36-34 Fed Com #224H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 36 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 34; and the Angel Ranch 36-34 Fed Com #234H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 36 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 34. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under the Division's Statewide Rules. V-F Petroleum will apply with the Division for administrative approval of the proposed non-standard spacing unit. 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 13.2 miles North of Carlsbad, New Mexico. Setting: Status Conference