

AMENDED DOCKET: EXAMINER HEARING – THURSDAY – MAY 17, 2018

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

Docket Nos. 21-18 and 22-18 are tentatively set for May 31, 2018 and June 14, 2018. Applications for hearing must be filed at least thirty (30) days in advance of the hearing date. OCD Rule Subsection B of 19.15.4.13 NMAC requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued. A party who plans on using projection equipment at a hearing must contact Florene Davidson, seven (7) business days prior to the hearing, requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer. The following cases will be heard by an Examiner.

Locator Key for Cases

Case 16002 – No. 5
Case 16013 – No. 30
Case 16024 – No. 40
Case 16042 – No. 34
Case 16047 – No. 35
Case 16048 – No. 36
Case 16075 – No. 37
Case 16076 – No. 41
Case 16077 – No. 42
Case 16088 – No. 16
Case 16089 – No. 17
Case 16105 – No. 43
Case 16113 – No. 44
Case 16114 – No. 45
Case 16132 – No. 1
Case 16133 – No. 2
Case 16134 – No. 3
Case 16135 – No. 6
Case 16136 – No. 7
Case 16137 – No. 8
Case 16138 – No. 9
Case 16139 – No. 10
Case 16140 – No. 11
Case 16141 – No. 12
Case 16142 – No. 13
Case 16143 – No. 14
Case 16144 – No. 15
Case 16145 – No. 18
Case 16146 – No. 19
Case 16147 – No. 20
Case 16148 – No. 21
Case 16149 – No. 22
Case 16150 – No. 23
Case 16151 – No. 24
Case 16152 – No. 25
Case 16153 – No. 26
Case 16154 – No. 27
Case 16155 – No. 28
Case 16156 – No. 29
Case 16157 – No. 31
Case 16158 – No. 32
Case 16159 – No. 33
Case 16160 – No. 4
Case 16161 – No. 38
Case 16162 – No. 39

of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located in the center of Loving, New Mexico.

10. Case No. 16139: Application of Kaiser-Francis Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Kaiser-Francis Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit in the Delaware formation underlying the S/2 SE/4 of Section 20 and the S/2 SW/4 of Section 21, Township 23 South, Range 28 East, NMPM, and pooling all mineral interests in the Delaware formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the Loving Townsite 2021 LBC Well No. 2H, a horizontal well with a surface location in the SW/4 SE/4 of Section 20, and a terminus in the SE/4 SW/4 of Section 21. 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 wells. The unit is located in the center of Loving, New Mexico.

11. Case No. 16140: Application of Kaiser-Francis Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Kaiser-Francis Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit in the Bone Spring formation underlying the S/2 SE/4 of Section 20 and the S/2S W/4 of Section 21, Township 23 South, Range 28 East, NMPM, and pooling all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the Loving Townsite 2021 3BS Well No. 2H, a horizontal well with a surface location in the SW/4 SE/4 of Section 20, and a terminus in the SE/4 SW/4 of Section 21. 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 wells. The unit is located in the center of Loving, New Mexico.

12. Case No. 16141: Application of Kaiser-Francis Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Kaiser-Francis Oil Company seeks an order approving a 320-acre non-standard gas spacing and proration unit in the Wolfcamp formation comprised of the SE/4 of Section 20 and the SW/4 of Section 21, Township 23 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 Loving Townsite 2021 WC Well No. 1H, a horizontal well with a surface location in the NW/4 SE/4 of Section 20, and a terminus in the NE/4 SW/4 of Section 21; (b) the Loving Townsite 2021 WA Well No. 1H, a horizontal well with a surface location in the NW/4 SE/4 of Section 20, and a terminus in the NE/4 SW/4 of Section 21; (c) the Loving Townsite 2021 WC Well No. 2H, a horizontal well with a surface location in the SW/4 SE/4 of Section 20, and a terminus in the SE/4 SW/4 of Section 21; and (d) the Loving Townsite 2021 WA Well No. 2H, a horizontal well with a surface location in the SW/4 SE/4 of Section 20, and a terminus in the SE/4 SW/4 of Section 21. The beginning and end of the producing interval of 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 in the center of Loving, New Mexico.

13. Case No. 16142: Application of Apache Corporation for a non-standard spacing and proration unit, non-standard locations, and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the S2/ N/2 of Section 26, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) approving non-standard locations; and (3) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the Palmillo 26 State Corn #314H well, to be horizontally drilled. The producing area for the well will be unorthodox. Also to be considered will be the cost of drilling and completing 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 13.6 miles northeast of Carlsbad, New Mexico.

14. Case No. 16143: Application of Apache Corporation for a non-standard spacing and proration unit, non-standard locations, and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from

the Division: (1) creating a non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the N/2 N/2 of Section 26, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) approving non-standard locations; and (3) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Palmillo 26 State Corn #315H** and **Palmillo 26 State Corn #316** 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 Apache as operator of the well, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 13.6 miles northeast of Carlsbad, New Mexico.

15. Case No. 16144: Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit, non-standard locations, and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 240-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the W/2 E/2 of Section 18 and the W/2 NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; (2) approving non-standard locations; and, (3) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Blueberry Hill Fee 24-35-19 TB 3H** well, to be horizontally drilled. The producing area for the well will have unorthodox locations. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles northwest of Jal, New Mexico.

16. Case No. 16088: (Continued from the May 3, 2018 Examiner Hearing.)
Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Section 1, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Catapult Fee 23-26-1 TB 6H** well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles south of Carlsbad, New Mexico.

17. Case No. 16089: (Continued from the May 3, 2018 Examiner Hearing.)
Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) pooling all mineral interests in the Wolfcamp formation underlying the standard 320-acre, more or less, spacing and proration unit comprised of the E/2 of Section 1, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico. This proposed standard spacing and proration unit will be the project area for the **Catapult Fee Com 23 26 1 WA 5H**, **Catapult Fee Com 23 26 1 WXY 3H**, and **Catapult Fee Com 23 26 1 WXY 10H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles south of Carlsbad, New Mexico.

18. Case No. 16145: Application of Marathon Oil Permian LLC for approval of a non-standard spacing and proration unit, non-standard locations, and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 480-acre, more or less, spacing and proration unit in the Wolfcamp formation, comprised of the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and, (2) approving non-standard locations; and (3) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. This proposed spacing and proration unit will be the project area for the **Blueberry Hill Fee 24-35-19 WXY 4H**, **Blueberry Hill Fee 24-35-19 WA 5H**, and **Blueberry Hill Fee 24-35-19 WA 6H** wells, to be horizontally drilled. The producing area for these wells will have unorthodox locations. Also to be considered will be the cost of drilling and completing said wells, the