

DOCKET: EXAMINER HEARING – THURSDAY – AUGUST 9, 2018

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

Docket Nos. 32-18 and 33-18 are tentatively set for August 23, 2018 and September 6, 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 15023 - No. 5	Case 16285 - No. 71	Case 16349 - No. 12
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Case 16041 - No. 25	Case 16299 - No. 29	Case 16351 - No. 20
Case 16137 - No. 14	Case 16304 - No. 31	Case 16352 - No. 21
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Case 16140 - No. 17	Case 16307 - No. 66	Case 16355 - No. 24
Case 16141 - No. 18	Case 16309 - No. 1	Case 16356 - No. 26
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Case 16232 - No. 56	Case 16328 - No. 58	
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Case 16258 - No. 45	Case 16340 - No. 39	
Case 16259 - No. 46	Case 16341 - No. 2	
Case 16260 - No. 47	Case 16342 - No. 3	
Case 16261 - No. 48	Case 16343 - No. 4	
Case 16265 - No. 37	Case 16344 - No. 7	
Case 16266 - No. 38	Case 16345 - No. 8	
Case 16281 - No. 68	Case 16346 - No. 9	
Case 16282 - No. 69	Case 16347 - No. 10	
Case 16283 - No. 70	Case 16348 - No. 11	

1. Case No. 16309: (Continued from the July 26, 2018 Examiner Hearing.)

Application of EOG Resources, Inc. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order (i) creating a 476.58-acre, more or less, non-standard oil spacing and proration unit (project area) comprised of the W/2 of Section 30 and the NW/4 of Section 31, Township 26 South, Range 34 East, NMPM, in Lea County, and (ii) pooling all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. The project area is to be dedicated to the Philly 31 Fed Com #701H well, which will be drilled from a surface hole location (“SHL”) in Lot 2 in Section 31 to a bottom hole location (“BHL”) in Lot 1 in Section 30, the Philly 31 Fed Com #702H well, which will be drilled from a SHL in Lot 2 in Section 31 to BHL in Lot 1 in Section 30, the Philly 31 Fed Com #703H well, which will be drilled from a SHL in Lot 3 in Section 31 to a BHL in Lot 1 in Section 30, and the Philly 31 Fed Com #704H well, which will be drilled from a SHL in Lot 3 in Section 31 to a BHL in Unit C in Section 30. The completed intervals for the wells will be unorthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost and a 200% charge for the risk involved in drilling and completing the wells. The proposed project area is located approximately twenty (20) miles southwest of Jal, New Mexico.

2. Case No. 16341: ***Application of Manzano, LLC for Approval of the Morrison San Andres State Exploratory Unit, Roosevelt County, New Mexico.*** Applicant seeks approval of its Morrison San Andres State Exploratory Unit, which comprises 4,317.44 acres, more or less, of State of New Mexico lands situated in all of Sections 3, 4, 10, 14, 15 and 16, the N/2 NW/4, SE/4 NW/4, NE/4, and S/2 of Section 9 and the N/2 of Section 21, Township 6 South, Range 34 East, N.M.P.M., in Roosevelt County. The unitized interval is the San Andres formation, defined as the stratigraphic equivalent of the interval between 3,181 feet and 4,523 feet as depicted on the Laterlog dated September 12, 2014 for the Armstrong Energy Touch of Grey State #1 well (API No. 30-041-20960) located 1,839 feet from the south line and 417 feet from the west line in Section 15, Township 6 South, Range 34 East, N.M.P.M., in Roosevelt County. The unit acreage is located approximately eight (8) miles southwest of Dora, New Mexico.

3. Case No. 16342: ***Application of Ameredev Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 233.69-acre, more or less, non-standard spacing and proration unit comprised of the W/2 W/2 of Section 27 and the NW/4 NW/4 and Lot 4 [W/2 NW/4] of Section 34, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the WC-025 G-08 S263620C; LWR Bone Spring (Pool Code 98150) underlying this acreage. Said non-standard unit is to be dedicated to the proposed **Amen Corner State Com 26 36 27 No. 091H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 22 to a bottom hole location in the SW/4 NW/4 (Lot 4) of Section 34. The completed interval for this well will remain within the 330-foot standard offset required by the Division’s rules. 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 Ameredev Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles southwest of Jal, NM.

4. Case No. 16343: ***Application Of Matador Production Company For Approval Of The Expansion of the Northeast Kemnitz Unit, Lea County, New Mexico.*** Applicant seeks approval to expand the geographic area of the Northeast Kemnitz Unit by 1,760 acres of land. Said Unit currently consists of approximately 3,520 acres of State lands in Lea County, New Mexico. The total unit acreage will include 5,280 acres. Matador seeks to expand the Unit to include the following State lands situated in Lea County, New Mexico:

Township 16 South - Range 34 East N.M.P.M.

Section 22: S/2

Section 26: SW/4

Section 27: All

Section 28: E/2

Section 34: W/2

The unitized interval includes all depths. The Northeast Kemnitz Expansion Area is approximately 11 miles southeast

of Lovington, New Mexico.

5. **Case No. 15023 (re-opened): Application of COG Operating LLC to re-open Case No. 15023 to pool the interests of additional mineral owners under the terms of Compulsory Pooling Order R-13757, Eddy County, New Mexico.** Applicant in the above-styled cause seeks to amend Division Order R-13757 to include the pooling of additional mineral interests in the Penasco Draw-San Andres-Yeso (Associated) (Pool Code 50270) consisting of the E/2 W/2 of Section 6, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico. Said unit is dedicated to the applicant's **Arabian 6 Fee No. 6H Well** and is located approximately 11 miles south of Artesia, New Mexico.

6. **Case No. 15090 (re-opened): Application of COG Operating LLC to re-open Case No. 15090 to pool the interests of additional mineral owners under the terms of Compulsory Pooling Order R-13808, Eddy County, New Mexico.** Applicant in the above-styled cause seeks to amend Division Order R-13808 to include the pooling of additional mineral interests in the Atoka-Glorieta-Yeso Pool (Pool Code 3250) consisting of the W/2 W/2 of Section 6, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico. Said unit is dedicated to the applicant's **Arabian 6 Fee No. 10H Well** and is located approximately 11 miles south of Artesia, New Mexico.

7. **Case No. 16344: Application of Novo Oil & Gas, LLC for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying the W/2 W/2 of Section 9, Township 23 South, Range 28 East, Eddy County, New Mexico. Applicant proposes to dedicate the above-referenced lands to a standard horizontal spacing and proration unit for the **Goonch Fed Com 9 23S 28E 2B 1H well** which will be horizontally drilled in the 2nd Bone Spring from a surface location and first take-point location in the SW/4 SW/4 of Section 9, Township 23 South, Range 28 East, to a bottom hole location in the NW/4 NW/4 of Section 9, Township 23 South, Range 28 East. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing each 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 wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 2 miles North of Loving, New Mexico.

8. **Case No. 16345: Application of Novo Oil & Gas, LLC for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation underlying the W/2 of Section 9, Township 23 South, Range 28 East, Eddy County, New Mexico. Applicant proposes to dedicate the above-referenced lands to a standard horizontal spacing and proration unit for two proposed initial wells: (1) the **Goonch Fed Com 9 23S 28E WXY 1H well** which will be horizontally drilled to test the Wolfcamp XY formation from a surface location and first take-point in the SW/4 SW/4 of Section 9, Township 23 South, Range 28 East, to a bottom hole location in the NW/4 NW/4 of Section 9, Township 23 South, Range 28 East; and (2) the **Goonch Fed Com 9 23S 28E WB 1H well** which will be horizontally drilled to test the Wolfcamp B formation from a surface location and first take-point in the SW/4 SW/4 of Section 9, Township 23 South, Range 28 East, to a bottom hole location in the NW/4 NW/4 of Section 9, Township 23 South, Range 29 East. The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each 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 wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 2 miles North of Loving, New Mexico.

9. **Case No. 16346: 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 mineral interests in the Bone Spring formation underlying Lots 1 – 4 of Section 30 and Lots 1 – 4 of Section 31 (W/2W/2 of Sections 30 and 31), Township 23 South, Range 29 East, Eddy County, New Mexico. Said standard 312.39 acre horizontal spacing and proration unit is to be dedicated to the applicant's **Spud Muffin 31-30 Fed Com 331H well** to be horizontally drilled in the **Cedar Canyon; Bone Spring (Pool Code 11520)** from a surface location 270' FSL and 1275' FWL of Section 31 to a bottom hole location of 230' FNL and 990' FWL of Section 30. The completed interval for this well 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 Devon Energy Production Company, L.P. as operator of the well and a 200% charge for risk involved in drilling the well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico.

10. **Case No. 16347: 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 mineral interests in the Bone Spring formation underlying the E/2 W/2 of Sections 30 and 31, Township 23 South, Range 29 East, Eddy County, New Mexico. Said standard 320-acre horizontal spacing and proration unit is to be dedicated to the applicant's **Spud Muffin 31-30 332H well** to be horizontally drilled in the **Cedar Canyon; Bone Spring (Pool Code 11520)** from a surface location 625' FSL and 2405' FWL of Section 31 to a bottom hole location of 230' FNL and 2310' FWL of Section 30. The completed interval for this well 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 Devon Energy Production Company, L.P. as operator of the well and a 200% charge for risk involved in drilling the well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico.

11. **Case No. 16348: 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 mineral interests in the Bone Spring formation underlying the W/2 E/2 of Sections 30 and 31, Township 23 South, Range 29 East, Eddy County, New Mexico. Said standard 320-acre horizontal spacing and proration unit is to be dedicated to the applicant's **Spud Muffin 31-30 333H well** to be horizontally drilled in the **Cedar Canyon; Bone Spring (Pool Code 11520)** from a surface location 625' FSL and 2045' FEL of Section 31 to a bottom hole location of 230' FNL and 1650' FEL of Section 30. The completed interval for this well 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 Devon Energy Production Company, L.P. as operator of the well and a 200% charge for risk involved in drilling the well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico.

12. **Case No. 16349: 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 mineral interests in the Bone Spring formation underlying the E/2 E/2 of Sections 30 and 31, Township 23 South, Range 29 East, Eddy County, New Mexico. Said standard 320-acre horizontal spacing and proration unit is to be dedicated to the applicant's **Spud Muffin 31-30 334H** to be horizontally drilled in the **Cedar Canyon; Bone Spring (Pool Code 11520)** from a surface location 485' FSL and 185' FEL of Section 31 to a bottom hole location of 230' FNL and 330' FEL of Section 30. The completed interval for this well 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 Devon Energy Production Company, L.P. as operator of the well and a 200% charge for risk involved in drilling the well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico

13. **Case No. 16313 (readvertised): Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a 480-acre horizontal spacing unit comprised of the SE/4 of Section 21 and the E/2 of Section 28, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the **Kansas 21/28 W0IP Fed. Com. Well No. 2H** and the **Kansas W2IP Fed. Com. Well No. 1H**, horizontal wells with surface locations in the NE/4 SE/4 of Section 21, and last take points in the SE/4 SE/4 of Section 28. The producing intervals 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 southwest of Malaga, New Mexico.

14. **Case No. 16137: (Continued from the July 12, 2018 Examiner Hearing.)**

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 N/2 SE/4 of Section 20 and the N/2 SW/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. 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. 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

15. Case No. 16138: *(Continued from the July 12, 2018 Examiner Hearing.)*

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 N/2 SE/4 of Section 20 and the N/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. 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. 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.

16. Case No. 16139: *(Continued from the July 12, 2018 Examiner Hearing.)*

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.

17. Case No. 16140: *(Continued from the July 12, 2018 Examiner Hearing.)*

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.

18. Case No. 16141: *(Continued from the July 12, 2018 Examiner Hearing.)*

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.

19. **Case No. 16350: Application of Matador Production Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying the W/2 E/2 of Section 19, Township 23 South, Range 35 East, NMPM. The horizontal spacing unit will be dedicated to the **Dr. Ireland Fed. Com. Well No. 113H**, a horizontal well with a surface location in the SE/4 SE/4, a first take point in the SW/4 SE/4, and a final take point in the NW/4 NE/4, of Section 19. The well's 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 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 17-1/2 miles southwest of Eunice, New Mexico.

20. **Case No. 16351: Application of Matador Production Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying the E/2 E/2 of Section 19, Township 23 South, Range 35 East, NMPM. The horizontal spacing unit will be dedicated to the **Dr. Ireland Fed. Com. Well No. 114H**, a horizontal well with a surface location in the SE/4 SE/4, and a final take point in the NE/4 NE/4, of Section 19. The well's 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 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 17-1/2 miles southwest of Eunice, New Mexico.

21. **Case No. 16352: Application of Matador Production Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 E/2 of Section 19, Township 23 South, Range 35 East, NMPM. The horizontal spacing unit will be dedicated to the **Dr. Ireland Fed. Com. Well No. 213H**, a horizontal well with a surface location in the SE/4 SE/4, a first take point in the SW/4 SE/4, and a final take point in the NW/4 NE/4, of Section 19. The well's 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 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 17-1/2 miles southwest of Eunice, New Mexico.

22. **Case No. 16353: Application of Matador Production Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 E/2 of Section 19, Township 23 South, Range 35 East, NMPM. The horizontal spacing unit will be dedicated to the **Dr. Ireland Fed. Com. Well No. 214H**, a horizontal well with a surface location in the SE/4 SE/4, and a final take point in the NE/4 NE/4, of Section 19. The well's 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 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 17-1/2 miles southwest of Eunice, New Mexico.

23. **Case No. 16354: Application of Rover Operating, LLC for statutory unitization, Eddy County, New Mexico.** Applicant seeks an order statutorily unitizing all mineral interests in the Unitized Formation (the top of the Loco Hills Sand to the base of the Lovington Sand) in the proposed RP State Unit underlying 639.60 acres of state lands covering all of Section 2 of Township 17 South, Range 31 East, N.M.P.M. 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; and such other matters as may be necessary and appropriate. The unit area is centered approximately 8-1/2 miles northeast of Loco Hills, New Mexico.

24. **Case No. 16355: Application of Rover Operating, LLC for approval of a secondary recovery project, Eddy County, New Mexico.** Applicant seeks approval to institute a secondary recovery project in the RP State Unit Area by the injection of water into the Unitized Formation (the top of the Loco Hills Sand to the base of the Lovington Sand) in wells located on 639.60 acres of state lands covering all or parts of Section 2, Township 17 South, Range 31 East, N.M.P.M. The unit area is centered approximately 8-1/2 miles northeast of Loco Hills, New Mexico.

25. **Case No. 16041:** (Continued from the July 12, 2018 Examiner Hearing.)

Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Ram Energy LLC, for Wells Operated in Lea County, New Mexico. The 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 Ram Energy LLC, (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E)..

26. **Case No. 16356:** ***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Breck Operating Corp., for Wells Operated in Lea and San Juan Counties, New Mexico.*** The 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 Breck Operating Corp., (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

27. **Case No. 16357:** ***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Momentum Operating Co., Inc., for Wells Operated in Lea County, New Mexico.*** The 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 Momentum Operating Co., Inc., (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

28. **Case No. 16358:** ***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Primal Energy Corporation, for Wells Operated in Eddy and Lea Counties, New Mexico.*** The 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 Primal Energy Corporation, (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

29. **Case No. 16299:** (Continued from the July 26, 2018 Examiner Hearing.)

Application of Marathon Oil Permian LLC for a spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) creating a 320-acre, more or less, spacing and proration unit covering the E/2 of Section 1, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Whistle Pig 25-28-1 TB 5H** well, to be horizontally

drilled. The producing area for this well will be orthodox. 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 8 miles southeast of Malaga, New Mexico.

30. Case No. 16315: (Continued from the July 26, 2018 Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying Lots 3, 4, S/2NW/4, and SW/4 (the W/2) of Section 2, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to (i) the **Skynyrd 2 W0CN Fee Well No. 1H**, a horizontal well with a surface location in the NE/4 NW/4 and a terminus in the SE/4 SW/4 of Section 2; (ii) the **Skynyrd 2 W0DM Fee Well No. 1H**, a horizontal well with a surface location in the NW/4 NW/4 and a terminus in the SW/4 SW/4 of Section 2; and (iii) the **Skynyrd 2 W0DM Fee Well No. 2H**, a horizontal well with a surface location in the NW/4 NW/4 and a terminus in the SW/4 SW/4 of Section 2. 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 1-1/2 miles north-northeast of Malaga, New Mexico.

31. Case No. 16304: (Continued from the July 12, 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 640-acre, more or less, spacing and proration unit in covering the S/2 of Sections 7 and 8, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Crossbow 23 27 8 WXY 2H** and **Crossbow 23 27 8 WA 4H** 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. Said area is located approximately 8 miles southwest of Carlsbad, New Mexico.

32. Case No. 16305: (Continued from the July 12, 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 160-acre, more or less, spacing and proration unit in covering the S/2 S/2 of Section 8, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **Crossbow Federal 23-27-8 TB** well, to be horizontally drilled. The producing area for this well will be orthodox. 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 8 miles southwest of Carlsbad, New Mexico.

33. Case No. 16221: (Continued from the July 12, 2018 Examiner Hearing.)

-Application of EOG Resources, Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre spacing and proration unit comprised of the N/2 S/2 of Section 23 and the N/2 S/2 of Section 24, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Spork 24 Fed Com No. 301H Well** and **Spork 24 Fed Com No. 501H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 24 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 23. The completed intervals for these wells will commence and remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles southeast of Artesia, New Mexico.

34. **Case No. 16183:** (Continued from the July 12, 2018 Examiner Hearing.)

Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2 N/2 of Section 24 and the S/2 N/2 of Section 23, Township 18 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to the **Virgo 24/23 B2HE Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SE/4 NE/4 of Section 24, and a terminus in the SW/4 NW/4 of Section 23. 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 6-1/2 miles south-southeast of Loco Hills, New Mexico.

35. **Case No. 16184:** (Continued from the July 12, 2018, Examiner Hearing.)

Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2 S/2 of Section 24 and the N/2 S/2 of Section 23, Township 18 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to the **Virgo 24/23 B2IL Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NE/4 SE/4 of Section 24, and a terminus in the NW/4 SW/4 of Section 23. 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 6-1/2 miles south-southeast of Loco Hills, New Mexico.

36. **Case No. 16231:** (Continued from the July 12, 2018 Examiner Hearing)

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 the W/2 of Section 9, Township 23 South, Range 28 East, NMPM (Purple Sage-Wolfcamp Gas Pool), to form a standard 318.94-acre gas spacing and proration unit. The unit will be dedicated to the **Jack Sleeper 09-23S-28E RB Well No. 201H**, a horizontal well with a surface location in the SW/4 SW/4, and a bottomhole location in the NW/4 NW/4, of Section 9. The producing interval will be unorthodox. 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 located approximately 2 miles north of Loving, New Mexico.

37. **Case No. 16265:** (Continued from the July 26, 2018 Examiner Hearing.)

Application of Centennial Resource Production, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a 240-acre, more or less, spacing and proration unit comprised of the E/2 SE/4 of Section 1 and E/2 E/2 of Section 12, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Duck Hunt State Com No. 601H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 1 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 12. The completed interval for this well will be at an unorthodox location because it is closer to the southern and southeastern boundaries of the proposed spacing and proration unit than allowed by the statewide rules. Centennial is seeking separate administrative approval for this unorthodox well location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Centennial Resource Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles southwest of Eunice, New Mexico.

38. **Case No. 16266:** (Continued from the July 26, 2018 Examiner Hearing.)

Application of Centennial Resource Production, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a 240-acre, more or less, spacing and proration unit comprised of the W/2 SE/4 of Section 1 and W/2 E/2 of Section 12,

Township 23 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Duck Hunt State Com No. 602H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 1 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 12. The completed interval for this well will be at an unorthodox location because it is closer to the southern and southeastern boundaries of the proposed spacing and proration unit than allowed by the statewide rules. Centennial is seeking separate administrative approval for this unorthodox well location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Centennial Resource Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles southwest of Eunice, New Mexico.

39. Case No. 16340: (Continued from the July 26, 2018 Examiner Hearing.)

Application of ConocoPhillips Company for Approval of the Zia Hills BC/WC Unit; Contraction of the Jennings Upper Bone Spring Shale Pool, the Purple Sage-Wolfcamp Gas Pool and the WC-025 G-08 S263205N Upper Wolfcamp Pool; and for Creation of Wildcat Bone Spring and Wolfcamp Oil Pools for the Unit Area, Lea and Eddy Counties, New Mexico. Applicant seeks an order (1) approving the Zia Hills BS/WC Unit; (2) contracting the Jennings; Upper Bone Spring Shale Pool (Pool Code 97838), the Purple Sage-Wolfcamp Gas Pool (98220) and the WC-025 G-08 S263205N; Upper Wolfcamp Pool (98065) from the interior boundary of the Unit Area; and (3) creating wildcat Bone Spring and Wolfcamp oil pools to cover the Bone Spring and Wolfcamp formations, respectively, within the Unit Area. The proposed Unit Area consists of approximately 13,863.35 acres of the following Federal and State lands situated in Lea and Eddy Counties, New Mexico:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY

Section 12: SW/4
Section 13: All
Section 14: All
Section 23: All
Section 24: All
Section 25: All
Section 26: All
Section 27: All
Section 34: All
Section 35: All
Section 36: All

TOWNSHIP 26 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY

Section 7: S/2
Section 17: All
Section 18: All
Section 19: All
Section 20: All
Section 25: All
Section 26: All
Section 27: All
Section 28: All
Section 29: All
Section 30: All
Section 31: All
Section 32: All
Section 33: All
Section 34: All
Section 35: All
Section 36: All

The proposed unitized interval consists of the Bone Spring and Wolfcamp formations described as the stratigraphic

equivalent of below the base of the Brushy Canyon formation at a measured depth of 7,678 feet down to the stratigraphic equivalent of to the top of the Cisco formation at a measured depth of 14,050 feet as encountered in the Stampede 27 1M (API No. 30-015-42118) and the State GR 1 (API No. 30-025-26785). The subject acreage is located approximately 36 miles west of Jal, New Mexico.

40. Case No. 16251: (Continued from the July 26, 2018 Examiner Hearing.) (This case will be dismissed.)

Application of Ameredev Operating, LLC for an unorthodox well location, non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 16 and the E/2 W/2 of Section 21, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico; (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage; and (3) approving unorthodox well locations. Said non-standard unit is to be project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Camellia Fed Com 26 36 21 No. 114H Well** and the proposed **Camellia Fed Com 26 36 21 No. 124H Well**. These wells will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 28 to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 16. The completed interval for both wells will be at unorthodox locations because they are closer to the northeastern, eastern, and southeastern boundary of the proposed spacing and proration unit than allowed by the statewide rules. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Ameredev Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 7 miles southwest of Jal, NM.

41. Case No. 16252: (Continued from the June 28, 2018 Examiner Hearing.)

Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico and (2) pooling all uncommitted mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Charles Ling Fed Com No. 131H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 11. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said 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 risk involved in drilling said well. Said area is located approximately 22 miles northwest of Jal, NM.

42. Case No. 16253: (Continued from the June 28, 2018 Examiner Hearing.)

Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico and (2) pooling all uncommitted mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Charles Ling Fed Com No. 132H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 11. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said 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 risk involved in drilling said well. Said area is located approximately 22 miles northwest of Jal, NM.

43. Case No. 16254: (Continued from the June 28, 2018 Examiner Hearing.)

Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico and (2) pooling all uncommitted mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Charles Ling Fed Com No. 133H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) to a standard bottom hole location in the SW/4 SE/4 (Unit O) of Section 11. The completed interval for this well

will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said 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 risk involved in drilling said well. Said area is located approximately 22 miles northwest of Jal, NM.

44. Case No. 16255: (Continued from the June 28, 2018 Examiner Hearing.)

Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico and (2) pooling all uncommitted mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Charles Ling Fed Com No. 134H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) to a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 11. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said 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 risk involved in drilling said well. Said area is located approximately 22 miles northwest of Jal, NM

45. Case No. 16258: (Continued from the July 12, 2018 Examiner Hearing.)

Application of Delaware Energy, LLC for Authorization to Inject Salt Water for Purposes of Disposal Through Its Proposed Bear Trap SWD #1 Well, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order authorizing injection of produced water for disposal purposes through its proposed **Bear Trap SWD #1**, with a surface location, 660 feet from the West line and 1470 feet from the South line Unit L of Section 3, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. The maximum proposed daily injection rate will be approximately 25,000 barrels per day. The proposed injection will occur within the Devonian formation at a depth of approximately 13,280 feet to 14,280 feet deep. The maximum injection pressure will be 2,656 psi. The location of the proposed injection is approximately 6 miles northwest of Malaga, New Mexico.

46. Case No. 16259: (Continued from the July 12, 2018 Examiner Hearing.)

Application of Delaware Energy, LLC for Authorization to Inject Salt Water for Purposes of Disposal Through Its Proposed Giant Panda SWD #1 Well, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order authorizing injection of produced water for disposal purposes through its proposed **Giant Panda SWD #1**, with a surface location, 240 feet from the South line and 175 feet from the East line Unit P of Section 9, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. The maximum proposed daily injection rate will be approximately 25,000 barrels per day. The proposed injection will occur within the Devonian formation at a depth of approximately 13,255 feet to 14,255 feet deep. The maximum injection pressure will be 2,651 psi. The location of the proposed injection is approximately 6 miles west of Malaga, New Mexico.

47. Case No. 16260: (Continued from the July 12, 2018 Examiner Hearing.)

Application of Delaware Energy, LLC for Authorization to Inject Salt Water for Purposes of Disposal Through Its Proposed Grizzly SWD #1 Well, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order authorizing injection of produced water for disposal purposes through its proposed **Grizzly SWD #1**, with a surface location, 2,400 feet from the South line and 1170 feet from the West line Unit L of Section 11, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. The maximum proposed daily injection rate will be approximately 25,000 barrels per day. The proposed injection will occur within the Devonian formation at a depth of approximately 13,420 feet to 14,420 feet deep. The maximum injection pressure will be 2,684 psi. The location of the proposed injection is approximately 5 miles west of Malaga, New Mexico.

48. Case No. 16261: (Continued from the July 12, 2018 Examiner Hearing.)

Application of Delaware Energy, LLC for Authorization to Inject Salt Water for Purposes of Disposal Through Its Proposed Kodiak SWD #1 Well, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order authorizing injection of produced water for disposal purposes through its proposed **Kodiak SWD #1**, with a surface location, 200 feet from the South line and 250 feet from the East line Unit P of Section 5, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. The maximum proposed daily injection rate will be approximately

25,000 barrels per day. The proposed injection will occur within the Devonian formation at a depth of approximately 13,095 feet to 14,095 feet deep. The maximum injection pressure will be 2,792 psi. The location of the proposed injection is approximately 8 miles northwest of Malaga, New Mexico

49. Case No. 16310: (Continued from the July 26, 2018 Examiner Hearing.)

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 471.03-acre non-standard gas spacing and proration unit in the Wolfcamp formation comprised of Lots 1-4 and the E/2 W/2 (the W/2) of Section 19 and Lots 1 and 2 and the E/2 NW/4 (the NW/4) of Section 30, Township 23 South, Range 29 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 the **Wright Fee WC Well No. 1H**, a horizontal well with a surface location in the SE/4 NW/4 of Section 30, and a terminus in the NW/4 NW/4 of Section 19. The beginning and end of 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 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 approximately 2-1/2 miles north of Harroun, New Mexico.

50. Case No. 16311: (Continued from the July 26, 2018 Examiner Hearing.)

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 480-acre non-standard gas spacing and proration unit in the Wolfcamp formation comprised of the E/2 of Section 19 and the NE/4 of Section 30, Township 23 South, Range 29 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 the **Wright Fee WC Well No. 2H**, a horizontal well with a surface location in the SW/4 NE/4 of Section 30, and a terminus in the NE/4 NE/4 of Section 19. The beginning and end of 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 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 approximately 2-1/2 miles north of Harroun, New Mexico

51. Case No. 16163: (Continued from the July 26, 2018 Examiner Hearing.)

Application of Devon Energy Production Company, L.P. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) authorizing a non-standard spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 632.38-acre non-standard spacing and proration unit comprised of the W/2 of Section 30 and the W/2 of Section 31, Township 23 South, Range 29 East, Eddy County, New Mexico; and (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to the applicant's four proposed initial wells:

- The proposed **Spud Muffin 30-31 Fed Com 621H Well**, which will be horizontally drilled from a surface location in the SW/4SW/4 of Section 31 (Unit M, Lot 4) to a bottom hole location in the NW/4NW/4 of Section 30 (Unit D, Lot 1);
- The proposed **Spud Muffin 30-31 Fed Com 732H Well**, which will be horizontally drilled from a surface location in the SW/4SW/4 of Section 31 (Unit M, Lot 4) to a bottom hole location in the NW/4NW/4 of Section 30 (Unit D, Lot 1);
- The proposed **Spud Muffin 31-30 Com 622H Well**, which will be horizontally drilled from a surface location in the SE/4SW/4 of Section 31 (Unit N) to a bottom hole location in the NE/4NW/4 of Section 30 (Unit K);
- The proposed **Spud Muffin 31-30 Com 734H Well**, which will be horizontally drilled from a surface location in the SE/4SW/4 of Section 31 (Unit N) to a bottom hole location in the NE/4NW/4 of Section 30 (Unit C).

The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Devon Energy Production Company, L.P. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico.

52. Case No. 16164: (Continued from the July 26, 2018 Examiner Hearing.)

Application of Devon Energy Production Company, L.P. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) authorizing a non-standard spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 640-acre non-standard spacing and proration unit comprised of the E/2 of Section 30 and the E/2 of Section 31, Township 23 South, Range 29 East, Eddy County, New Mexico; and (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to the applicant's four proposed initial wells:

- The proposed **Spud Muffin 31-30 623H Well**, which will be horizontally drilled from a surface location in the SW/4SE/4 of Section 31 (Unit O) to a bottom hole location in the NW/4NE/4 of Section 30 (Unit B);
 - The proposed **Spud Muffin 31-30 736H Well**, which will be horizontally drilled from a surface location in the SW/4SE/4 of Section 31 (Unit O) to a bottom hole location in the NW/4NE/4 of Section 30 (Unit B);
 - The proposed **Spud Muffin 31-30 624H Well**, which will be horizontally drilled from a surface location in the SE/4SE/4 of Section 31 (Unit P) to a bottom hole location in the NE/4NE/4 of Section 30 (Unit A);
 - The proposed **Spud Muffin 31-30 738H Well**, which will be horizontally drilled from a surface location in the SE/4SE/4 of Section 31 (Unit P) to a bottom hole location in the NE/4NE/4 of Section 30 (Unit A);
- The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Devon Energy Production Company, L.P. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 16 miles Southeast of Carlsbad, New Mexico.

53. **Case No. 16321:** (Continued from the July 26, 2018 Examiner Hearing.)

Application of Marathon Oil Permian LLC for approval of a non-standard proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 320-acre, more or less, spacing and proration unit covering the W/2 W/2 of Section 28 and the W/2 W/2 of Section 33, Township 20 South, Range 33 East, NMPM, Lea County New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this spacing and proration unit. This proposed spacing and proration unit will be the project area for the **TB Tomahawk Federal 20 33 33 TB 1H**, and the **Tomahawk Federal 20 33 33 SB 4H** 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. Said area is located approximately 3 miles east-southeast of Halfway, New Mexico.

54. **Case No. 16322:** (Continued from the July 26, 2018 Examiner Hearing.)

Application of Marathon Oil Permian LLC for approval of a non-standard proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 640-acre, more or less, spacing and proration unit covering the W/2 of Section 28 and the W/2 of Section 33, Township 20 South, Range 33 East, NMPM, Lea County New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this spacing and proration unit. This proposed spacing and proration unit will be the project area for the **Tomahawk Federal 20 33 33 WA 2H**, **Tomahawk Federal 20 33 33 WD 3H**, **Tomahawk Federal 20 33 33 WA 11H**, and the **Tomahawk Federal 20 33 33 WD 12H** 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. Said area is located approximately 3 miles east-southeast of Halfway, New Mexico.

55. **Case No. 16323:** (Continued from the July 26, 2018 Examiner Hearing.)

Application of Marathon Oil Permian LLC for approval of a non-standard proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 320-acre, more or less, spacing and proration unit covering the E/2 W/2 of Section 28 and the E/2 W/2 of Section 33, Township 20 South, Range 33 East, NMPM, Lea County New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this spacing and proration unit. This proposed spacing and proration unit will be the project area for the **Tomahawk Federal 20 33 33 TB 10H** and the **Tomahawk Federal 20 33 33 FB 24H** 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. Said area

is located approximately 3 miles east-southeast of Halfway, New Mexico.

56. Case No. 16232: (Continued from the July 26, 2018 Examiner Hearing.)

Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit, compulsory pooling, and one unorthodox well location, Lea County, New Mexico. Applicant seeks an order approving a 320-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 W/2 of Section 28 and the W/2 W/2 of Section 33, Township 20 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Gavilon Fed. Com. Well No. 703H** and **Gavilon Fed. Com. Well No. 704H**, horizontal Wolfcamp wells with surface locations in the SW/4 SW/4 of Section 33, and botomhole locations in the NW/4 NW/4 of Section 28. The producing interval of the Gavilon Fed. Com. Well No. 703H will be orthodox, while the Gavilon Fed. Com. Well No. 704H, which will be at an unorthodox location encroaching upon the E/2 W/2 of Section 28 and the E/2 W/2 of Section 33. 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 3 miles east-southeast of Halfway, New Mexico

57. Case No. 16233: (Continued from the July 26, 2018 Examiner Hearing.)

Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit, compulsory pooling, and one unorthodox well location, Lea County, New Mexico. Applicant seeks an order approving a 320-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 28 and the W/2 W/2 of Section 33, Township 20 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the **Gavilon Fed. Com. Well No. 201H**, **Gavilon Fed. Com. Well No. 303H**, **Gavilon Fed. Com. Well No. 304H**, **Gavilon Fed. Com. Well No. 401H**, **Gavilon Fed. Com. Well No. 503H**, **Gavilon Fed. Com. Well No. 504H**, and **Gavilon Fed. Com. Well No. 602H**, horizontal Bone Spring wells with surface locations in the SW/4 SW/4 of Section 33, and botomhole locations in the NW/4 NW/4 of Section 28. The producing interval of each well will be orthodox, except for the Gavilon Fed. Com. Well No. 504H, which will be at an unorthodox location encroaching upon the E/2 W/2 of Section 28 and the E/2 W/2 of Section 33. 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 3 miles east-southeast of Halfway, New Mexico.

58. Case No. 16328: (Continued from the July 26, 2018 Examiner Hearing.)

Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a 240-acre, more or less, spacing and proration unit comprised of the E/2 SE/4 of Section 28 and the E/2 E/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 2H**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 33 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 28. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

59. Case No. 16329: (Continued from the July 26, 2018 Examiner Hearing.)

Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a 240-acre, more or less, spacing and proration unit comprised of the W/2 SE/4 of Section 28 and the W/2 E/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 3H**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 28. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and

completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

60. Case No. 16330: (Continued from the July 26, 2018 Examiner Hearing.)

Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a 240-acre, more or less, spacing and proration unit comprised of the E/2 SW/4 of Section 28 and the E/2 W/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 4H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 33 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 28. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

61. Case No. 16331: (Continued from the July 26, 2018 Examiner Hearing.)

Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a 240-acre, more or less, spacing and proration unit comprised of the W/2 SW/4 of Section 28 and the W/2 W/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 5H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 33 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 28. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles northwest of Eunice, New Mexico.

62. Case No. 16333: (Continued from the July 26, 2018 Examiner Hearing.)

Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a 240-acre, more or less, spacing and proration unit comprised of the W/2 SE/4 of Section 28 and the W/2 E/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 7H**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 28. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

63. Case No. 16334: (Continued from the July 26, 2018 Examiner Hearing.)

Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a 240-acre, more or less, spacing and proration unit comprised of the E/2 SW/4 of Section 28 and the E/2 W/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 8H**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 28. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 24 miles northwest of Eunice, New Mexico.

64. Case No. 16335: (Continued from the July 26, 2018 Examiner Hearing.)

Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a 240-acre, more or less, spacing and proration unit comprised of the W/2 SW/4 of Section 28 and the W/2 W/2 of Section 33, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Little Bear Federal Com No. 9H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 33 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 28. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles northwest of Eunice, New Mexico.

65. Case No. 16306: (Continued from the July 26, 2018 Examiner Hearing.)

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 standard 320-acre, more or less, spacing and proration unit in covering the W/2 of Section 15, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico; (2) approving non-standard locations; and, (3) pooling all mineral interests in the Wolfcamp formation underlying this proposed standard spacing and proration unit. This proposed standard spacing and proration unit will be the unit for the **Flowmaster Fee 24-34-15 WXY 2H, Flowmaster Fee 24-34-15 WA 6H, and Flowmaster Fee 24-34-15 WA 14H** wells, to be horizontally drilled. The producing areas for these wells will contain unorthodox locations. 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. Said area is located approximately 17 miles northwest of Jal, New Mexico.

66. Case No. 16307: (Continued from the July 26, 2018 Examiner Hearing.)

Application of Marathon Oil Permian LLC for approval of non-standard locations and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit in covering the W/2 of Section 15, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico; (2) approving non-standard locations; and, (3) pooling all mineral interests in the Wolfcamp formation underlying this proposed standard spacing and proration unit. This proposed standard spacing and proration unit will be the unit for the **Flowmaster Fee 24-34-15 WD 3H** well, to be horizontally drilled. The producing areas for this well will contain 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 17 miles northwest of Jal, New Mexico.

67. Case No. 16214: (Continued from the July 26, 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 240-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Section 36 and the E/2 SE/4 of Section 25, Township 24 South, Range 28 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 **Southern Comfort State 24-28-25 TB 6H** well, to be horizontally drilled. The producing area for this well will be orthodox. 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 3 miles south of Malaga, New Mexico.

68. Case No. 16281: (Continued from the July 26, 2018 Examiner Hearing.)

Application of Novo Oil & Gas, LLC for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order creating a 279.42-acre non-standard spacing unit and proration unit (project area) in the Bone Spring formation comprised of Lots 1 – 4 (N/2N/2) of Section 6 and

Lots 2, 3 and 4 (N/2NW/4 and NW/4NE/4) of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 1 5 23S 29E 2B #1H well** which will be horizontally drilled from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NW/4NE/4 of Section 5, Township 23 South, Range 29 East. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing each 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 wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

69. Case No. 16282: (Continued from the July 26, 2018 Examiner Hearing.)

Application of Novo Oil & Gas, LLC for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order creating a 320-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2S/2 of Section 4 and S/2S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 6 4 23S 29E 3B #1H well** which will be horizontally drilled from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing each 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 wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

70. Case No. 16283: (Continued from the July 26, 2018 Examiner Hearing.)

Application of Novo Oil & Gas, LLC for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order creating a 320-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2S/2 of Section 4 and N/2S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 6 4 23S 29E 3B #2H well** which will be horizontally drilled from a surface location in the NE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the NW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the NE/4SE/4 of Section 4, Township 23 South, Range 29 East. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing each 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 wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

71. Case No. 16285: (Continued from the July 26, 2018 Examiner Hearing.)

Application of Novo Oil & Gas, LLC for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order creating a 636.30-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the N/2 of Section 5 and N/2 of Section 6, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 1 5 WB 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NE/4NE/4 of Section 5, Township 23 South, Range 29 East, and the **Rana Salada Fed Com 1 5 WXY 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NE/4NE/4 of Section 5, Township 23 South, Range 29 East. The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each 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 wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

72. **Case No. 16286:** *(Continued from the July 26, 2018 Examiner Hearing.)*

Application of Novo Oil & Gas, LLC for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order creating a 640-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the S/2 of Section 4 and S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 6 4 WB 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East, and the **Rana Salada Fed Com 6 4 WXY 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East. The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each 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 wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.