

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF APACHE CORPORATION
TO AMEND ORDER NO. R-21181,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 21638
ORDER NO. R-21181
(Re-Open)**

**APPLICATION OF APACHE CORPORATION
TO AMEND ORDER NO. R-21138,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 21639
ORDER NO. R-21138
(Re-Open)**

**APPLICATION OF APACHE CORPORATION
TO AMEND ORDER NO. R-21139,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 21640
ORDER NO. R-21139
(Re-Open)**

**APPLICATION OF APACHE CORPORATION
TO AMEND ORDER NO. R-21140,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 21641
ORDER NO. R-21140
(Re-Open)**

Examiner Docket: February 4, 2021

APACHE'S EXHIBITS

**Camacho 26 State Com 201H
Camacho 26 State Com 202H
Camacho 26 State Com 203H
Camacho 26 State Com 204H**



Earl E. DeBrine, Jr.
Lance D. Hough



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DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

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**APPLICATION OF APACHE CORPORATION
TO AMEND ORDER NO. R-21139,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 21640
ORDER NO. R-21139
(Re-Open)**

**APPLICATION OF APACHE CORPORATION
TO AMEND ORDER NO. R-21140,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 21641
ORDER NO. R-21140
(Re-Open)**

APACHE'S EXHIBITS

**Camacho 26 State Com 201H
Camacho 26 State Com 202H
Camacho 26 State Com 203H
Camacho 26 State Com 204H**

- | | |
|-----------|--|
| Exhibit A | Self-Affirmed Declaration of Blake Johnson |
| A-1 | Application for Case No. 21638 |
| A-2 | Application for Case No. 21639 |
| A-3 | Application for Case No. 21640 |
| A-4 | Application for Case No. 21641 |
| A-5 | April 2, 2020 Letter and Amended Order Template |
| A-6 | Order No. R-21181 |
| A-7 | Order No. R-21138 |
| A-8 | Order No. R-21139 |
| A-9 | Order No. R-21140 |
| | |
| Exhibit B | Affidavit of Lance D. Hough |
| B-1 | Hearing Notice |
| B-2 | Certified Mail Log / Notice January 15, 2020
Certified Mail Log / Report February 2, 2021 |
| B-3 | Affidavit of Publication |

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Lance D. Hough



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**CASE NO. 21640
ORDER NO. R-21139
(Re-Open)**

**APPLICATION OF APACHE CORPORATION
TO AMEND ORDER NO. R-21140,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 21641
ORDER NO. R-21140
(Re-Open)**

SELF-AFFIRMED DECLARATION OF BLAKE JOHNSON

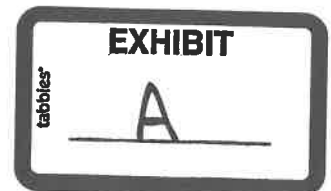
STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Blake Johnson, being duly sworn, deposes and states:

1. I am a landman for Apache Corporation ("Apache"), over the age of 18 and have personal knowledge of the matters stated herein. I have previously been qualified to testify by the New Mexico Oil Conservation Division ("Division") as an expert in petroleum land matters and my credentials were accepted and made part of the record in those proceedings.

2. I am familiar with the applications filed by Apache in the above-referenced case and the land matters involved. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the above referenced applications filed by Apache, which are attached hereto as **Exhibits A.1** through **A.4**.

3. No opposition is expected. Apache, through its counsel, provided all working



interest owners, any unleased mineral owners, and overriding royalty owners with notice of these applications, and none have entered an appearance or indicated any opposition.

4. In Case No. 21638, Apache requests an order from the Division for the limited purpose of amending Order No. R-21181 to allow for a one-year extension of time to commence drilling the well under the Order. The Division issued Order No. R-21181 on April 14, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 N/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico and requires commencement of drilling the well within one year of the date of the Order unless Apache Corporation obtains an extension by an amendment of this Order for good cause shown.

5. In Case Nos. 21639 through 21641, Apache requests orders from the Division for the limited purposes of (1) conforming Order Nos. R-21138 through R-21140 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template), which is attached hereto as **Exhibit A.5**; and (2) amending Order Nos. R-21138 through R-21140 to allow for a one-year extension of time to commence drilling the well under the Orders. Order Nos. R-21138 through R-21140 were issued as follows:

- a. The Division issued Order No. R-21138 on February 21, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 N/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico and required commencement of drilling the well within one year of the date of the Order.
- b. The Division issued Order No. R-21139 on February 21, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 S/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico and required commencement of drilling the well within one year of the date of the Order.

- c. The Division issued Order No. R-21140 on February 21, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 S/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico and required commencement of drilling the well within one year of the date of the Order.

6. Good cause exists for Apache's requests for extensions of time because, due to current market conditions, Apaches has adjusted its drilling schedule for this development.

7. Under the Orders, which are attached hereto as **Exhibits A.6** through **A.9**, Apache is required to commence drilling the initial wells for each order by as follows:

- Order R-21181: April 14, 2021
- Order R-21138: April 9, 2021
- Order R-21139: April 9, 2021
- Order R-21140: April 9, 2021

8. Apache requests that the deadline to commence drilling the wells under the Orders be extended for a year as follows:

- Order R-21181: April 14, 2022
- Order R-21138: April 9, 2022
- Order R-21139: April 9, 2022
- Order R-21140: April 9, 2022

9. Apache has reviewed the Amended Order Template and agrees to its terms and conditions.

10. Apaches requests that Order Nos. R-21138 through R-21140 be amended to conform to the Amended Order Template.

11. No opposition is expected. Apache, through its counsel, provided all working interest owners, any unleased mineral owners, and overriding royalty owners with notice of these applications, and none have entered an appearance or indicated any opposition.

12. Apache is in good standing under the statewide rules and regulations.

13. Based upon my knowledge of the land matters involved in these cases, education and training, it is my expert opinion that the granting of Apache's application in these cases is in the interests of conservation and the prevention of waste.

14. The attachments to my Affidavit were prepared by me or compiled from company business records.

15. Pursuant to Rule 1-011 NMRA, I declare and affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct to the best of my knowledge and belief.



Blake Johnson

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF APACHE CORPORATION
TO AMEND ORDER NO. R-21181,
EDDY COUNTY, NEW MEXICO**

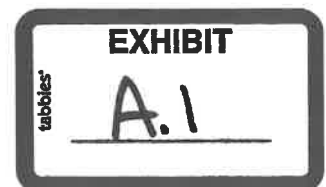
**CASE NO. _____
ORDER NO. R-21181
(Re-Open)**

APPLICATION

Apache Corporation ("Apache"), OGRID Number 371449, through its undersigned attorney, files this application with the Oil Conservation Division ("Division") for the limited purpose of amending Order No. R-21181 as follows: (1) conforming Division Order No. R-21181 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and (2) amending Order No. R-21181 to allow for an extension of time for drilling the well under the Order. In support of this application, Apache states as follows:

1. Order No. R-21181 is one of four orders relating to Apache's "Camacho" well group.
2. Order No. R-21181 pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 N/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico.
3. Order No. R-21181 designated Apache as the operator of the well and the unit.
4. The Division Hearing for Case No. 21025 was held on February 6, 2020.
5. The Division entered Order No. R-21181 in Case No. 21025 on April 14, 2020.

This order was issued under the "interim form of order" and does not conform to the Amended Order Template.



6. Apache requests that Order No. R-21181 be re-opened to conform this order to the terms of the Amended Order Template.

7. Apache further requests that Order No. R-21181 be re-opened and amended to allow Apache additional time to commence drilling the well under the Order.

8. Order No. R-21181, ¶ 19 states: "The Operator shall commence drilling the Well(s) within one year after the date of this Order; and complete each Well no later than one (1) year after the commencement of drilling the Well." Order No. R-21181, ¶ 20 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by an amendment of this Order for good cause shown."

9. Good cause exists for Apache's request for an extension of time.

10. Apache requests this extension because there have been changes in Apache's drilling schedule due to the COVID-19 pandemic and current market conditions.

11. Under Order No. R-21181, Apache would be required to commence drilling the well by February 21, 2021.

12. Apache asks that the deadline to commence drilling the well be extended for a year from February 21, 2021 to February 21, 2022.

WHEREFORE, Apache requests this application be set for hearing before an Examiner of the Oil Conservation Division on February 4, 2021, and after notice and hearing as required by law, the Division amend Order No. R-21181 to extend the time for Apache to commence drilling the well under the Order for a year, through February 21, 2022.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

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Attorneys for Applicant

(Re-Open) Application of Apache Corporation to Amend Order No. R-21181, Eddy County, New Mexico. Applicant seeks an order from the Division for the limited purposes of amending Order No. R-21181 to allow for a one-year extension of time to commence drilling the well under the Order. The Division issued Order No. R-21181 on April 14, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 N/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico and requires commencement of drilling the well within one year of the date of the Order unless Apache Corporation obtains an extension by an amendment of this Order for good cause shown. Good cause exists for Apache's request for an extension of time due to current market conditions.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF APACHE CORPORATION
TO AMEND ORDER NO. R-21138,
EDDY COUNTY, NEW MEXICO**

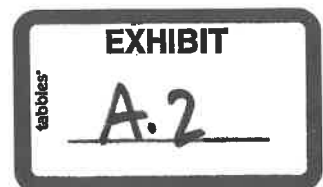
**CASE NO. _____
ORDER NO. R-21138
(Re-Open)**

APPLICATION

Apache Corporation ("Apache"), OGRID Number 371449, through its undersigned attorney, files this application with the Oil Conservation Division ("Division") for the limited purpose of amending Order No. R-21138 as follows: (1) conforming Division Order No. R-21138 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and (2) amending Order No. R-21138 to allow for an extension of time for drilling the well under the Order. In support of this application, Apache states as follows:

1. Order No. R-21138 is one of four orders relating to Apache's "Camacho" well group.
2. Order No. R-21138 pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 N/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico.
3. Order No. R-21138 designated Apache as the operator of the well and the unit.
4. The Division Hearing for Case No. 21026 was held on February 6, 2020.
5. The Division entered Order No. R-21138 in Case No. 21026 on February 21, 2020.

This order was issued under the "interim form of order" and does not conform to the Amended Order Template.



6. Apache requests that Order No. R-21138 be re-opened to conform this order to the terms of the Amended Order Template.

7. Apache further requests that Order No. R-21138 be re-opened and amended to allow Apache additional time to commence drilling the well under the Order.

8. Order No. R-21138, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21138, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

9. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶ 19. It also states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.” Amended Order Template, ¶ 20.

10. Good cause exists for Apache’s request for an extension of time.

11. Apache requests this extension because there have been changes in Apache’s drilling schedule due to the COVID-19 pandemic and current market conditions.

12. Under Order No. R-21138, Apache would be required to commence drilling the well by February 21, 2021.

13. Apache asks that the deadline to commence drilling the well be extended for a year from February 21, 2021 to February 21, 2022.

WHEREFORE, Apache requests this application be set for hearing before an Examiner of the Oil Conservation Division on February 4, 2021, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21138 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21138 to extend the time for Apache to commence drilling the well under the Order for a year, through February 21, 2022.

MODRALL, SPERLING, ROEHL, HARRIS
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Attorneys for Applicant

(Re-Open) Application of Apache Corporation to Amend Order No. R-21138, Eddy County, New Mexico. Applicant seeks an order from the Division for the limited purposes of (1) conforming Division Order No. R-21138 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and (2) amending Order No. R-21138 to allow for a one-year extension of time to commence drilling the well under the Order. The Division issued Order No. R-21138 on February 21, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 N/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico and required commencement of drilling the well within one year of the date of the Order. Good cause exists for Apache's request for an extension of time due to current market conditions.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF APACHE CORPORATION
TO AMEND ORDER NO. R-21139,
EDDY COUNTY, NEW MEXICO**

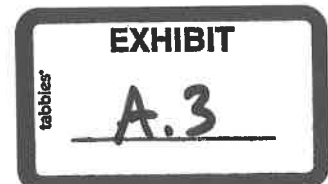
**CASE NO. _____
ORDER NO. R-21139
(Re-Open)**

APPLICATION

Apache Corporation ("Apache"), OGRID Number 371449, through its undersigned attorney, files this application with the Oil Conservation Division ("Division") for the limited purpose of amending Order No. R-21139 as follows: (1) conforming Division Order No. R-21139 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and (2) amending Order No. R-21139 to allow for an extension of time for drilling the well under the Order. In support of this application, Apache states as follows:

1. Order No. R-21139 is one of four orders relating to Apache's "Camacho" well group.
2. Order No. R-21139 pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 S/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico.
3. Order No. R-21139 designated Apache as the operator of the well and the unit.
4. The Division Hearing for Case No. 21027 was held on February 6, 2020.
5. The Division entered Order No. R-21139 in Case No. 21027 on February 21, 2020.

This order was issued under the "interim form of order" and does not conform to the Amended Order Template.



6. Apache requests that Order No. R-21139 be re-opened to conform this order to the terms of the Amended Order Template.

7. Apache further requests that Order No. R-21139 be re-opened and amended to allow Apache additional time to commence drilling the well under the Order.

8. Order No. R-21139, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21139, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

9. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶ 19. It also states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.” Amended Order Template, ¶ 20.

10. Good cause exists for Apache’s request for an extension of time.

11. Apache requests this extension because there have been changes in Apache’s drilling schedule due to the COVID-19 pandemic and current market conditions.

12. Under Order No. R-21139, Apache would be required to commence drilling the well by February 21, 2021.

13. Apache asks that the deadline to commence drilling the well be extended for a year from February 21, 2021 to February 21, 2022.

WHEREFORE, Apache requests this application be set for hearing before an Examiner of the Oil Conservation Division on February 4, 2021, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21139 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21139 to extend the time for Apache to commence drilling the well under the Order for a year, through February 21, 2022.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

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Attorneys for Applicant

(Re-Open) Application of Apache Corporation to Amend Order No. R-21139, Eddy County, New Mexico. Applicant seeks an order from the Division for the limited purposes of (1) conforming Division Order No. R-21139 to the amended order template (“Amended Order Template”) described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and (2) amending Order No. R-21139 to allow for a one-year extension of time to commence drilling the well under the Order. The Division issued Order No. R-21139 on February 21, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 S/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico and required commencement of drilling the well within one year of the date of the Order. Good cause exists for Apache’s request for an extension of time due to current market conditions.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF APACHE CORPORATION
TO AMEND ORDER NO. R-21140,
EDDY COUNTY, NEW MEXICO**

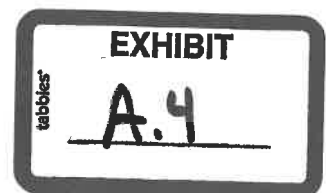
**CASE NO. _____
ORDER NO. R-21140
(Re-Open)**

APPLICATION

Apache Corporation ("Apache"), OGRID Number 371449, through its undersigned attorney, files this application with the Oil Conservation Division ("Division") for the limited purpose of amending Order No. R-21140 as follows: (1) conforming Division Order No. R-21140 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and (2) amending Order No. R-21140 to allow for an extension of time for drilling the well under the Order. In support of this application, Apache states as follows:

1. Order No. R-21140 is one of four orders relating to Apache's "Camacho" well group.
2. Order No. R-21140 pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 S/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico.
3. Order No. R-21140 designated Apache as the operator of the well and the unit.
4. The Division Hearing for Case No. 21028 was held on February 6, 2020.
5. The Division entered Order No. R-21140 in Case No. 21028 on February 21, 2020.

This order was issued under the "interim form of order" and does not conform to the Amended Order Template.



6. Apache requests that Order No. R-21140 be re-opened to conform this order to the terms of the Amended Order Template.

7. Apache further requests that Order No. R-21140 be re-opened and amended to allow Apache additional time to commence drilling the well under the Order.

8. Order No. R-21140, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21140, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

9. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶ 19. It also states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.” Amended Order Template, ¶ 20.

10. Good cause exists for Apache’s request for an extension of time.

11. Apache requests this extension because there have been changes in Apache’s drilling schedule due to the COVID-19 pandemic and current market conditions.

12. Under Order No. R-21140, Apache would be required to commence drilling the well by February 21, 2021.

13. Apache asks that the deadline to commence drilling the well be extended for a year from February 21, 2021 to February 21, 2022.

WHEREFORE, Apache requests this application be set for hearing before an Examiner of the Oil Conservation Division on February 4, 2021, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21140 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21140 to extend the time for Apache to commence drilling the well under the Order for a year, through February 21, 2022.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

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Attorneys for Applicant

(Re-Open) Application of Apache Corporation to Amend Order No. R-21140, Eddy County, New Mexico. Applicant seeks an order from the Division for the limited purposes of (1) conforming Division Order No. R-21140 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and (2) amending Order No. R-21140 to allow for a one-year extension of time to commence drilling the well under the Order. The Division issued Order No. R-21140 on February 21, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 S/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico and required commencement of drilling the well within one year of the date of the Order. Good cause exists for Apache's request for an extension of time due to current market conditions.

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval
Director, Oil Conservation Division



BY ELECTRONIC MAIL ONLY

April 9, 2020

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RE: Amendments to Compulsory Pooling Order Template

Dear Counsel:

The Oil Conservation Division ("OCD") has amended the compulsory pooling order template effective on April 1, 2020. The amended template is attached as Exhibit 1.

Prior to April 1, 2020, OCD issued compulsory pooling orders for the cases identified in Exhibit 2. To conform an order with the amended template, please file an application for a hearing.

If you have any questions about this letter, please call Eric Ames, Office of General Counsel, at (505) 476-3463.

Respectfully,

A handwritten signature in black ink, appearing to read "ASandoval", written over the printed name.

Adrienne Sandoval
Director

cc: Gabriel Wade, Deputy Director
Eric Ames, OGC-EMNRD
Scott Cox, OCD Engineering Bureau

EXHIBIT 1

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
[OPERATOR]**

**CASE NO. _____
ORDER NO. R-_____**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on [DATE], and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. [NAME] ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.

8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the ~~described~~ depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. ~~If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.~~
- ~~19.~~ If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well in accordance with 19.15.16.15(C) NMAC.
- ~~19.20.~~ The Operator shall commence drilling the Well(s) within one year ~~one (1) year~~ after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well; and (b) for an infill well, no later than thirty (30) days after completion of the well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.

- ~~214.~~ ~~Operator shall comply with the~~ The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- ~~22.~~ ~~This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.~~
- ~~223.~~ Operator shall submit ~~to OCD and~~ each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
- ~~234.~~ No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- ~~245.~~ No later than ~~within~~ one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- ~~256.~~ No later than sixty (60) days after ~~the later of~~ the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share

of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

267. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
278. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
289. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
3029. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
323. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.

- 3~~3~~4. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 3~~4~~5. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

ADRIENNE SANDOVAL
DIRECTOR
[AES/xxx](#)

Date: _____

CASE NO. _____
ORDER NO. R-

EXHIBIT 2

ORDER	CASE	APPLICANT
R-21168	21002	MEWBOURNE
R-21167	21001	MEWBOURNE
R-21166	21000	MEWBOURNE
R-21165	20869	MARATHON
R-21164	20811	MEWBOURNE
R-21162	21036	DEVON
R-21161	21035	DEVON
R-21160	21021	CIMAREX
R-21159	20997	DEVON
R-21158	20996	DEVON
R-21157	20995	DEVON
R-21156	20994	DEVON
R-21155	20990	DEVON
R-21154	20987	DEVON
R-21153	20986	DEVON
R-21152	20968	KAISER-FRANCIS
R-21151	20966	KAISER-FRANCIS
R-21150	20960	BTA
R-21149	20959	BTA
R-21148	20872	DEVON
R-21141	21030	MARATHON
R-21140	21028	APACHE
R-21139	21027	APACHE
R-21138	21026	APACHE
R-21137	20981	COG
R-21136	20980	COG
R-21135	20979	COG
R-21134	20597	TAP ROCK
R-21133	20596	TAP ROCK
R-21132	20468	MARATHON
R-21131	20993	CIMAREX
R-21130	20915	BTA
R-21129	20914	BTA
R-21128	20938	CHISHOLM
R-21127	20871	MARATHON
R-21136	20870	MARATHON
R-20924-A	20809	MEWBOURNE
R-21125	20946	MARATHON
R-21124	20936	MATADOR
R-21123	20858	SPC RESOURCES
R-21122	20708	MARATHON
R-21113	20864	MARATHON
R-21112	20822	MARATHON
R-21111	16210	MATADOR

R-21110	16209	MATADOR
R-21107	20903	COG
R-21106	20868	MARATHON
R-21105	20867	MARATHON
R-21104	20860	SPC RESOURCES
R-21103	20823	MARATHON
R-21102	20935	COG
R-21101	20934	COG
R-21100	20859	SPC RESOURCES
R-21099	20820	MARATHON
R-21098	20819	SEP PERMIAN
R-21097	20818	SEP PERMIAN
R-21096	20762	SPC RESOURCES
R-21095	20889	NOVO
R-21094	20888	NOVO
R-21093	20887	NOVO
R-21092	20886	NOVO
R-21091	20855	COG
R-21090	20854	COG
R-21089	20836	COG
R-21088	20826	XTO
R-21087	20813	OXY
R-21086	20789	OXY
R-21085	20788	OXY
R-21084	20786	OXY
R-21083	20863	COG
R-21082	20794	DEVON
R-21081	20793	DEVON
R-21080	20791	IMPETRO
R-21079	20790	IMPETRO
R-21078	20767	MATADOR
R-21077	20999	COG
R-21076	20998	COG
R-21075	20950	MARATHON
R-21074	20948	MARATHON
R-21073	20932	COG
R-21072	20931	COG
R-21071	20839	B.C. OPERATING
R-21070	20838	B.C. OPERATING
R-21069	20837	B.C. OPERATING
R-21066	20943	CENTENNIAL

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
APACHE CORPORATION**

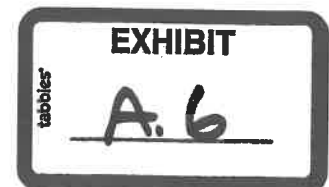
**CASE NO. 21025
ORDER NO. R-21181**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on February 6th, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Apache Corporation (“Operator”) submitted an application (“Application”) to compulsorily pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.



CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.

20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by an amendment of this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit to each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."

27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**




ADRIENNE SANDOVAL
DIRECTOR
AES/kms

Date: 4/14/2020

Exhibit "A"

APPLICATION CHECKLIST (pdf)	
BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21025	APPLICANT'S RESPONSE
Date 2/6/20	
Applicant	Apache Corporation
Designated Operator & OGRID (affiliation if applicable)	Apache Corporation (OGRID 873)
Applicant's Counsel:	Modrall Sperling
Case Title:	APPLICATION OF APACHE CORPORATION FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO, CASE NO. 21025
Entries of Appearance/Intervenor:	None
Well Family	Camacho
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code:	Palmillo; Bone Spring, Southwest Pool (Code: 96413)
Well Location Setback Rules:	Latest Statewide Horizontal Rules Apply
Spacing Unit Size:	160 Acres
Spacing Unit	
Type (Horizontal/Vertical):	Horizontal
Size (Acres)	160 Acres
Building Blocks:	Quarter Quarter Sections
Orientation:	East to West
Description TRS/County	N/2N/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: if yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract:	Exhibit B.3-25
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See Exhibit B.1-25 and Exhibit B.2-25
Well #1	Camacho 26 State Com 201H, API No. (Pending) SHL: 1022' feet from the North line and 315 feet from the East line, (Unit A) of Section 26, Township 19 South, Range 27 East, NMPM. BHL: 330' feet from the North line and 50 feet from the West line, (Unit D) of Section 26, Township 19 South, Range 27 East, NMPM. Completion Target: 2nd Bone Spring Sand at approx. 6,915 feet TVD. Well Orientation: East to West Completion Location expected to be: standard
Horizontal Well First and Last Take Points	Exhibit B.2-25
Completion Target (Formation, TVD and MD)	Exhibit B.1-25; Exhibit B.2-25; Exhibit B.4-25; Exhibit C.6; Exhibit C.7
APE Capex and Operating Costs	
Drilling Supervision/Month \$	7,000
Production Supervision/Month \$	700

EXHIBIT

Justification for Supervision Costs	Exhibit B.5-25 for AFEs
Requested Risk Charge	200%; see Exhibit B
Notice of Hearing	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits D.2 and D.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B; Exhibit B.3-25
Tract List (including lease numbers and owners)	Exhibit B.3-25
Pooled Parties (including ownership type)	Exhibit B.3-25
Unlocatable Parties to be Pooled	Exhibit B.3-25; Exhibit D.3
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit B.4-25
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3-25
Chronology of Contact with Non-Joined Working Interests	Exhibit B.6
Overhead Rates in Proposal Letter	Exhibit B.4-25
Cost Estimate to Drill and Complete	Exhibit B.5-25 for AFEs
Cost Estimate to Equip Well	Exhibit B.5-25 for AFEs
Cost Estimate for Production Facilities	Exhibit B.5-25 for AFEs
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibits C.1 and C.2
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.1
Well Orientation (with rationale)	Exhibit C
Target Formation	Exhibits B.1-25, C.1, C.4 through C.7
HSU Cross Section	Exhibits C.6 and C.7
Depth Severance Discussion	Exhibit B
Forms, Figures and Tables	
C-102	Exhibit B.2-25
Tracts	Exhibit B.3-25
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3-25
General Location Map (including basin)	Exhibit C.2
Well Bore Location Map	Exhibits C.1 through C.3
Structure Contour Map - Subsea Depth	Exhibit C.4
Cross Section Location Map (including wells)	Exhibits C.3
Cross Section (including Landing Zone)	Exhibits C.7 and C.8
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Lance Hough
Signed Name (Attorney or Party Representative):	
Date:	2/5/20

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
APACHE CORPORATION**

**CASE NO. 21026
ORDER NO. R-21138**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on February 6, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Apache Corporation ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.



CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
19. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well.

20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.
21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
24. No later than thirty (30) days after Operator submits the Estimated Well Costs , the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well

Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978,

Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL
DIRECTOR
AS/kms


Date: February 21, 2020



Exhibit A

APPLICATION CHECKLIST (pdf)	
BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21026	APPLICANT'S RESPONSE
Date 2/6/20	
Applicant	Apache Corporation
Designated Operator & OGRID (affiliation if applicable)	Apache Corporation (OGRID 873)
Applicant's Counsel	Modrall Sperling
Case Title	APPLICATION OF APACHE CORPORATION FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO, CASE NO. 21026
Entries of Appearance/Intervenor:	None
Well Family	Camacho
Formation/Pool	
Formation Name(s) or Vertical Extent	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code:	Palmillo; Bone Spring, Southwest Pool (Code: 96413)
Well Location Setback Rules	Latest Statewide Horizontal Rules Apply
Spacing Unit Size	160 Acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160 Acres
Building Blocks:	Quarter Quarter Sections
Orientation:	East to West
Description: TRS/County	S/2N/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), if No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit B.3-26
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See Exhibit B.1-26 and Exhibit B.2-26
Well #1	Camacho 26 State Com 202H, API No. (Pending) SHL: 1102' feet from the North line and 315 feet from the East line, (Unit A) of Section 26, Township 19 South, Range 27 East, NMPM. BHL: 1870' feet from the North line and 50 feet from the West line, (Unit E) of Section 26, Township 19 South, Range 27 East, NMPM. Completion Target: 2nd Bone Spring Sand at approx 5,970 feet TVD. Well Orientation: East to West Completion Location expected to be: standard
Horizontal Well First and Last Take Points	Exhibit B.2-26
Completion Target (Formation, TVD and MD)	Exhibit B.1-26; Exhibit B.2-26; Exhibit B.4-26; Exhibit C.6, Exhibit C.7
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	7,000
Production Supervision/Month \$	700
Justification for Supervision Costs	Exhibit B.5-26 for AFEs



Requested Risk Charge	200%, see Exhibit B
Notice of Hearing	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits D.2 and D.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B, Exhibit B.3-26
Tract List (including lease numbers and owners)	Exhibit B.3-26
Pooled Parties (including ownership type)	Exhibit B.3-26
Unlocatable Parties to be Pooled	Exhibit B.3-26; Exhibit D.3
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit B.4-26
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3-26
Chronology of Contact with Non-Joined Working Interests	Exhibit B.6
Overhead Rates in Proposal Letter	Exhibit B.4-26
Cost Estimate to Drill and Complete	Exhibit B.5-26 for AFEs
Cost Estimate to Equip Well	Exhibit B.5-26 for AFEs
Cost Estimate for Production Facilities	Exhibit B.5-26 for AFEs
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibits C.1 and C.2
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.1
Well Orientation (with rationale)	Exhibit C
Target Formation	Exhibits B.1-25, C.1, C.4 through C.7
HSU Cross Section	Exhibits C.6 and C.7
Depth Severance Discussion	Exhibit B
Forms, Figures and Tables	
C-102	Exhibits B.2-26
Tracts	Exhibit B.3-26
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3-26
General Location Map (including basin)	Exhibit C.2
Well Bore Location Map	Exhibits C.1 through C.3
Structure Contour Map - Subsea Depth	Exhibit C.4
Cross Section Location Map (including wells)	Exhibits C.3
Cross Section (including Landing Zone)	Exhibits C.7 and C.8
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Lance Hosh
Signed Name (Attorney or Party Representative):	
Date:	2/5/20

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
APACHE CORPORATION**

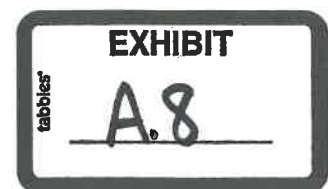
**CASE NO. 21027
ORDER NO. R-21139**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on February 6, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Apache Corporation ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.



CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
19. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well.

20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.
21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well

Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978,

Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL
DIRECTOR
AS/kms


Date: February 21, 2020



Exhibit A

APPLICATION CHECKLIST (pdf)	
BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21027	APPLICANT'S RESPONSE
Date 2/6/20	
Applicant	Apache Corporation
Designated Operator & OGRD (affiliation if applicable)	Apache Corporation (OGRD 873)
Applicant's Counsel	Modrall Sperling
Case Title	APPLICATION OF APACHE CORPORATION FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO, CASE NO. 21027
Entries of Appearance/Intervenor:	None
Well Family	Camacho
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent	Bone Spring Formation
Pool Name and Pool Code	Palmillo; Bone Spring, Southwest Pool (Code: 96413)
Well Location Setback Rules:	Latest Statewide Horizontal Rules Apply
Spacing Unit Size:	160 Acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160 Acres
Building Blocks:	Quarter Quarter Sections
Orientation:	East to West
Description: TRS/County	N/2 S/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: If yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit B.3-27
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See Exhibit B.1-27 and Exhibit B.2-27
Well #1	<p>Camacho 26 State Com 203H, API No. (Do not have yet)</p> <p>SHL: 1285' feet from the South line and 315 feet from the East line, (Unit P) of Section 26, Township 19 North, Range 27 East, NMPM.</p> <p>BHL: 1870' feet from the South line and 50 feet from the West line, (Unit L) of Section 26, Township 19 North, Range 27 East, NMPM.</p> <p>Completion Target: 2nd Bone Spring Sand at approx 6950 feet TVD.</p> <p>Well Orientation: East to West</p> <p>Completion Location expected to be: standard</p>
Horizontal Well First and Last Take Points	Exhibit B.2-27
Completion Target (Formation, TVD and MD)	Exhibit B.1-27; Exhibit B.2-27; Exhibit B.4-27; Exhibit C.6, Exhibit C.7
APE Capex and Operating Costs	
Drilling Supervision/Month \$	7,000
Production Supervision/Month \$	700



Justification for Supervision Costs	Exhibit B.5-27 for AFEs
Requested Risk Charge	200%, see Exhibit B
Notice of Hearing	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits D.2 and D.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B; Exhibit B.3-27
Tract List (including lease numbers and owners)	Exhibit B.3-27
Pooled Parties (including ownership type)	Exhibit B.3-27
Unlocatable Parties to be Pooled	Exhibit B.3-27; Exhibit D.3
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit B.4-27
List of Interest Owners (ie Exhibit A of JDA)	Exhibit B.3-27
Chronology of Contact with Non-Joined Working Interests	Exhibit B.6
Overhead Rates in Proposal Letter	Exhibit B.4-27
Cost Estimate to Drill and Complete	Exhibit B.5-27 for AFEs
Cost Estimate to Equip Well	Exhibit B.5-27 for AFEs
Cost Estimate for Production Facilities	Exhibit B.5-27 for AFEs
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibits C.1 and C.2
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.1
Well Orientation (with rationale)	Exhibit C
Target Formation	Exhibits B.1-25, C.1, C.4 through C.7
HSU Cross Section	Exhibits C.6 and C.7
Depth Severance Discussion	Exhibit B
Forms, Figures and Tables	
C-102	Exhibits B.2-27
Tracts	Exhibit B.3-27
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3-27
General Location Map (including basin)	Exhibit C.2
Well Bore Location Map	Exhibits C.1 through C.3
Structure Contour Map - Subsea Depth	Exhibit C.4
Cross Section Location Map (including wells)	Exhibits C.3
Cross Section (including Landing Zone)	Exhibits C.7 and C.8
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Lance Hough
Signed Name (Attorney or Party Representative):	
Date:	2/5/20

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
APACHE CORPORATION**

**CASE NO. 21028
ORDER NO. R-21140**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on February 6, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Apache Corporation ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.



CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
19. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well.

20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.
21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well

Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978,

Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL
DIRECTOR
AS/kms


Date: February 21, 2020



Exhibit A

APPLICATION CHECKLIST (pdf) BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21028	APPLICANT'S RESPONSE
Date 2/6/20	
Applicant	Apache Corporation
Designated Operator & OGRID (affiliation if applicable)	Apache Corporation (OGRID 873)
Applicant's Counsel:	ModraB Spiering
Case Title:	APPLICATION OF APACHE CORPORATION FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO, CASE NO. 21028
Entries of Appearance/Intervenor	None
Well Family	Carmacho
Formation/Pool	
Formation Name(s) or Vertical Extent	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code:	Palmillo, Bone Spring, Southwest Pool (Code 96413)
Well Location Setback Rules:	Latest Statewide Horizontal Rules Apply
Spacing Unit Size:	160 Acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160 Acres
Building Blocks:	Quarter Quarter Sections
Orientation:	East to West
Description: TRS/County	S/2 S/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), if No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit B.3-28
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See Exhibit B.1-28 and Exhibit B.2-28
Well #1	<p>Camacho 26 State Com 204H, API No. (Do not have yet)</p> <p>SHL: 1205' feet from the South line and 315 feet from the East line, (Unit P) of Section 26, Township 19 North, Range 27 East, NMPM.</p> <p>BHL: 370' feet from the South line and 50 feet from the West line, (Unit M) of Section 26, Township 19 North, Range 27 East, NMPM.</p> <p>Completion Target: 2nd Bone Spring Sand at approx 7000 feet TVD.</p> <p>Well Orientation: East to West</p> <p>Completion Location expected to be: standard</p>
Horizontal Well First and Last Take Points	Exhibit B.2-28
Completion Target (Formation, TVD and MD)	Exhibit B.1-28; Exhibit B.2-28; Exhibit B.4-28; Exhibit C.6, Exhibit C.7
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	7,000
Production Supervision/Month \$	700
Justification for Supervision Costs	Exhibit B.5-28 for AFEs



Requested Risk Charge	200%, see Exhibit B
Notice of Hearing	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits D.2 and D.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B, Exhibit B.3-28
Tract List (including lease numbers and owners)	Exhibit B.3-28
Pooled Parties (including ownership type)	Exhibit B.3-28
Unlocatable Parties to be Pooled	Exhibit B.3-28, Exhibit D.3
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit B.4-28
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3-28
Chronology of Contact with Non-Joined Working Interests	Exhibit B.6
Overhead Rates in Proposal Letter	Exhibit B.4-28
Cost Estimate to Drill and Complete	Exhibit B.5-28 for AFEs
Cost Estimate to Equip Well	Exhibit B.5-28 for AFEs
Cost Estimate for Production Facilities	Exhibit B.5-28 for AFEs
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibits C.1 and C.2
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.1
Well Orientation (with rationale)	Exhibit C
Target Formation	Exhibits B.1-25, C.1, C.4 through C.7
HSU Cross Section	Exhibits C.6 and C.7
Depth Severance Discussion	Exhibit B
Forms, Figures and Tables	
C-102	Exhibits B.2-28
Tracts	Exhibit B.3-28
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3-28
General Location Map (including basin)	Exhibit C.2
Well Bore Location Map	Exhibits C.1 through C.3
Structure Contour Map - Subsea Depth	Exhibit C.4
Cross Section Location Map (including wells)	Exhibits C.3
Cross Section (including Landing Zone)	Exhibits C.7 and C.8
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Lance Hough
Signed Name (Attorney or Party Representative):	
Date:	2/5/20

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

APPLICATION OF APACHE CORPORATION
TO AMEND ORDER NO. R-21181,
EDDY COUNTY, NEW MEXICO

CASE NO. 21638
ORDER NO. R-21181
(Re-Open)

APPLICATION OF APACHE CORPORATION
TO AMEND ORDER NO. R-21138,
EDDY COUNTY, NEW MEXICO

CASE NO. 21639
ORDER NO. R-21138
(Re-Open)

APPLICATION OF APACHE CORPORATION
TO AMEND ORDER NO. R-21139,
EDDY COUNTY, NEW MEXICO

CASE NO. 21640
ORDER NO. R-21138
(Re-Open)

APPLICATION OF APACHE CORPORATION
TO AMEND ORDER NO. R-21140,
EDDY COUNTY, NEW MEXICO

CASE NO. 21641
ORDER NO. R-21138
(Re-Open)

AFFIDAVIT OF LANCE D. HOUGH

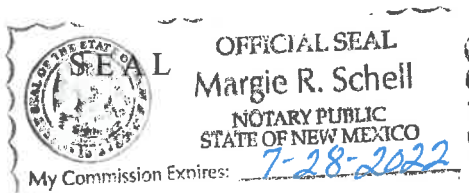
STATE OF NEW MEXICO)
)ss.
COUNTY OF BERNALILLO)


Lance D. Hough, attorney in fact and authorized representative of Apache Corporation ("Apache"), the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications were provided under notices of hearing to parties entitled to notice; and that the following are attached hereto: a sample of said notice of hearing as **Exhibit D.1**, proof of mailed notice of hearing as **Exhibit D.2**, and proof of published notice of hearing as **Exhibit D.3**.



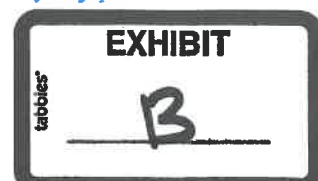
Lance D. Hough

SUBSCRIBED AND SWORN to before me this 2nd day of February 2021 by Lance D. Hough.





Notary Public
My commission expires: 7-28-2022





MODRALL SPERLING

L A W Y E R S

January 15, 2021

Lance D. Hough
Tel: 505.848.1826
Fax: 505.848.9710
Lance.Hough@modrall.com

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

This letter is to advise you that Apache Corporation has filed the enclosed applications with the New Mexico Oil Conservation Division:

Case No. 21638: (Re-Open) Application of Apache Corporation to Amend Order No. R-21181, Eddy County, New Mexico.

Applicant seeks an order from the Division for the limited purposes of amending Order No. R-21181 to allow for a one-year extension of time to commence drilling the well under the Order. The Division issued Order No. R-21181 on April 14, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 N/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico and requires commencement of drilling the well within one year of the date of the Order unless Apache Corporation obtains an extension by an amendment of this Order for good cause shown. Good cause exists for Apache's request for an extension of time due to current market conditions.

Case No. 21639: (Re-Open) Application of Apache Corporation to Amend Order No. R-21138, Eddy County, New Mexico.

Applicant seeks an order from the Division for the limited purposes of (1) conforming Division Order No. R21138 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and (2) amending Order No. R-21138 to allow for a one-year extension of time to commence drilling the well under the Order. The Division issued Order No. R-21138 on February 21, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 N/2 of Section 26, Township 19 South,

Modrall Sperling
Roel I Harris & Sisk P.A.

500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

EXHIBIT

B.1

AFFECTED PARTIES

Apache / Order Amendments / Camacho 26 State Com 201H – 204H

January 15, 2021

Page 2

Range 27 East, NMPM, Eddy County, New Mexico and required commencement of drilling the well within one year of the date of the Order. Good cause exists for Apache's request for an extension of time due to current market conditions.

Case No. 21640: (Re-Open) Application of Apache Corporation to Amend Order No. R-21139, Eddy County, New Mexico.

Applicant seeks an order from the Division for the limited purposes of (1) conforming Division Order No. R21139 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and (2) amending Order No. R-21139 to allow for a one-year extension of time to commence drilling the well under the Order. The Division issued Order No. R-21139 on February 21, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 S/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico and required commencement of drilling the well within one year of the date of the Order. Good cause exists for Apache's request for an extension of time due to current market conditions.

Case No. 21641: (Re-Open) Application of Apache Corporation to Amend Order No. R-21140, Eddy County, New Mexico.

Applicant seeks an order from the Division for the limited purposes of (1) conforming Division Order No. R21140 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and (2) amending Order No. R-21140 to allow for a one-year extension of time to commence drilling the well under the Order. The Division issued Order No. R-21140 on February 21, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 S/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico and required commencement of drilling the well within one year of the date of the Order. Good cause exists for Apache's request for an extension of time due to current market conditions.

These applications have been set for hearing before a Division Examiner at **8:15 a.m. on February 4, 2021**. During the COVID-19 Public Health Emergency, the hearing will be conducted remotely. Instructions to appear can be found under

AFFECTED PARTIES

Apache / Order Amendments / Camacho 26 State Com 201H – 204H

January 15, 2021

Page 3

“OCD NOTICES” at <http://www.emnrd.state.nm.us/OCD/hearings.html>. As a party who may be affected by these applications, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in these cases, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,



Lance D. Hough
Attorney for Applicant

EED/ldh/W3958178.DOCX

Enclosures: as stated

Zina Crum
Modrall Sperling
500 4th Street NW
Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
01/15/2021

Firm Mailing Book ID: 201757

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0078 4848 50	Oxy USA WTP L 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.20	\$3.55	\$1.70	\$0.00	13454.0169 Camacho Notice
2	9314 8699 0430 0078 4848 67	Virginia M. Grady 122 Palmers Hill Rd. Unit 3334 Stamford CT 06902	\$1.20	\$3.55	\$1.70	\$0.00	13454.0169 Camacho Notice
3	9314 8699 0430 0078 4848 74	Yates Brothers Partnership P.O. Box 1394 Artesia NM 88211	\$1.20	\$3.55	\$1.70	\$0.00	13454.0169 Camacho Notice
4	9314 8699 0430 0078 4848 81	Marathon Oil Company 5555 San Felipe Street Houston TX 77056	\$1.20	\$3.55	\$1.70	\$0.00	13454.0169 Camacho Notice
5	9314 8699 0430 0078 4848 98	Bankers Life and Casualty Company 111 East Wacker Drive, Suite 2100 Chicago IL 60601	\$1.20	\$3.55	\$1.70	\$0.00	13454.0169 Camacho Notice
6	9314 8699 0430 0078 4849 04	COG Operating LLC 600 W. Illinois Ave. Midland TX 79701	\$1.20	\$3.55	\$1.70	\$0.00	13454.0169 Camacho Notice
7	9314 8699 0430 0078 4849 11	Concho Oil and Gas, LLC 600 W. Illinois Ave. Midland TX 79701	\$1.20	\$3.55	\$1.70	\$0.00	13454.0169 Camacho Notice
8	9314 8699 0430 0078 4849 28	Devon Energy Production Co, LP 333 West Sheridan Ave. Oklahoma City OK 73102	\$1.20	\$3.55	\$1.70	\$0.00	13454.0169 Camacho Notice
9	9314 8699 0430 0078 4849 35	EOG Y Resources, Inc. 5509 Champions Dr. Midland TX 79706	\$1.20	\$3.55	\$1.70	\$0.00	13454.0169 Camacho Notice
10	9314 8699 0430 0078 4849 42	806 Energy, LLC P.O. Box 1210 Justin TX 76247	\$1.20	\$3.55	\$1.70	\$0.00	13454.0169 Camacho Notice
11	9314 8699 0430 0078 4849 59	Mongoose Minerals LLC One Concho Center 600 W. Illinois Avenue Midland TX 79701	\$1.20	\$3.55	\$1.70	\$0.00	13454.0169 Camacho Notice
12	9314 8699 0430 0078 4849 66	Tascosa Energy Partners, LLC 901 W. Missouri Ave. Midland TX 79701	\$1.20	\$3.55	\$1.70	\$0.00	13454.0169 Camacho Notice
13	9314 8699 0430 0078 4849 73	Canyon Draw Resources, LLC 333 Lee Parkway, Suite 750 Dallas TX 75219	\$1.20	\$3.55	\$1.70	\$0.00	13454.0169 Camacho Notice
Totals:			\$15.60	\$46.15	\$22.10	\$0.00	
Grand Total:							\$83.85

List Number of Pieces
Listed by Sender

Total Number of Pieces
Received at Post Office

Postmaster:
Name of receiving employee

Dated:

13

EXHIBIT

tabbles

B.2

Transaction Report Details - CertifiedPro.net

Firm Mail Book ID= 201757

Generated: 2/2/2021 9:45:21 AM

USPS Article Number	Date Created	Name 1	Name 2	Address1	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300078484973	2021-01-15 10:31 AM	Canyon Draw Resources, LLC		333 Lee Parkway, Suite 750	Dallas	TX	75219	Delivered	Return Receipt - Electronic, Certified Mail	01-20-2021
9314869904300078484966	2021-01-15 10:31 AM	Tascosa Energy Partners, LLC		901 W. Missouli Ave.	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	01-19-2021
9314869904300078484959	2021-01-15 10:31 AM	Mongoose Minerals LLC	One Concho Center	600 W. Illinois Avenue	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	01-20-2021
9314869904300078484942	2021-01-15 10:31 AM	806 Energy, LLC		P.O. Box 1210	Justin	TX	76247	Undelivered	Return Receipt - Electronic, Certified Mail	01-28-2021
9314869904300078484935	2021-01-15 10:31 AM	EOG Y Resources, Inc.		5509 Champions Dr.	Midland	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	01-20-2021
9314869904300078484928	2021-01-15 10:31 AM	Devon Energy Production Co, LP		333 West Sheridan Ave.	Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic, Certified Mail	01-20-2021
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9314869904300078484881	2021-01-15 10:31 AM	Marathon Oil Company		5555 San Felipe Street	Houston	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	01-21-2021
9314869904300078484874	2021-01-15 10:31 AM	Yates Brothers Partnership		P.O. Box 1394	Artesia	NM	88211	Delivered	Return Receipt - Electronic, Certified Mail	01-21-2021
9314869904300078484867	2021-01-15 10:31 AM	Virginia M. Grady		122 Palmers Hill Rd. Unit 3334	Stamford	CT	06902	Delivered	Return Receipt - Electronic, Certified Mail	01-21-2021
9314869904300078484850	2021-01-15 10:31 AM	Oxy USA WTP L		5 Greenway Plaza, Suite 110	Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	

Affidavit of Publication

Ad # 0004559032

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POBOX 2168

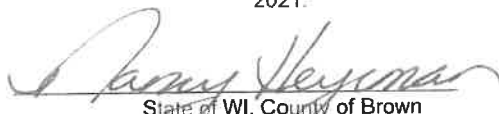
ALBUQUERQUE, NM 87103

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

01/19/2021


Legal Clerk

Subscribed and sworn before me this January 19,
2021:

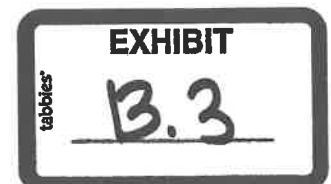

State of WI, County of Brown
NOTARY PUBLIC
5.15.23
My commission expires

CASE NO. 21639: Notice to all affected parties, as well as their heirs and devisees, of Bankers Life and Casualty Company, COG Operating LLC, Concho Oil and Gas, LLC, Tascosa Energy Partners, LLC, EOG Y Resources, Inc., Canyon Draw Resources, LLC, Oxy USA, WTP L, Virginia M. Grady, Leo Momsen III, Margaret Momsen, Frances M. Cunningham, Clarence L. North, Will Holt and Vina Holt, Meredith Jones, Jonell Jones, Yates Brothers Partnership, Marathon Oil Corporation, 806 Energy, LLC, and Mongoose Minerals LLC of Apache Corporation's Application to Amend Order No. R-21138, Eddy County, New Mexico. The State of New Mexico through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on February 4, 2021 to consider this application. Due to state building closures during the COVID-19 Public Health Emergency, the hearing will be conducted remotely. You may access the instructions to appear under "OCD NOTICES" at <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant seeks an order from the Division for the limited purposes of (1) conforming Division Order No. R-21138 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and (2) amending Order No. R-21138 to allow for a one-year extension of time to commence drilling the well under the Order. The Division issued Order No. R-21138 on February 21, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 N/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico and required commencement of drilling the well within one year of the date of the Order. Good cause exists for Apache's request for an extension of time due to current market conditions.
#4559032, Current Argus, Jan. 19, 2021

Ad # 0004559032
PO #: 21639
of Affidavits 1

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NANCY HEYRMAN
Notary Public
State of Wisconsin



Carlsbad Current Argus

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0004559013

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MODRALL SPERLING

POBOX 2168

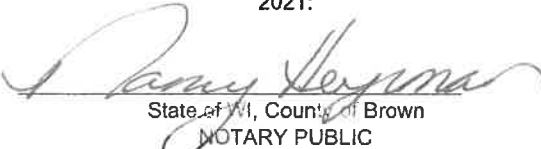
ALBUQUERQUE, NM 87103

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

01/19/2021


Legal Clerk

Subscribed and sworn before me this January 19, 2021:


State of WI, County of Brown
NOTARY PUBLIC
5.15.23
My commission expires

CASE NO. 21638: Notice to all affected parties, as well as their heirs and devisees, of Bankers Life and Casualty Company, COG Operating LLC, Concho Oil and Gas, LLC, Tascosa Energy Partners, LLC, EOG Y Resources, Inc., Canyon Draw Resources, LLC, Oxy USA, WTP L, Virginia M. Grady, Leo Momsen III, Margaret Momsen, Frances M. Cunningham, Clarence L. North, Will Holt and Vina Holt, Meredith Jones, Jonell Jones, Yates Brothers Partnership, Marathon Oil Corporation, 806 Energy, LLC, and Mongoose Minerals LLC of Apache Corporation's Application to Amend Order No. R-21181, Eddy County, New Mexico. The State of New Mexico through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on February 4, 2021 to consider this application. Due to state building closures during the COVID-19 Public Health Emergency, the hearing will be conducted remotely. You may access the instructions to appear under "OCD NOTICES" at <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant seeks an order from the Division for the limited purposes of amending Order No. R-21181 to allow for a one-year extension of time to commence drilling the well under the Order. The Division issued Order No. R-21181 on April 14, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 N/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico and requires commencement of drilling the well within one year of the date of the Order unless Apache Corporation obtains an extension by an amendment of this Order for good cause shown. Good cause exists for Apache's request for an extension of time due to current market conditions. #4559013, Current Argus, Jan. 19, 2021

NANCY HEYRMAN
Notary Public
State of Wisconsin

Ad # 0004559013
PO #: 21638
of Affidavits 1

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Affidavit of Publication

Ad # 0004559042

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MODRALL SPERLING

POBOX 2168

ALBUQUERQUE, NM 87103

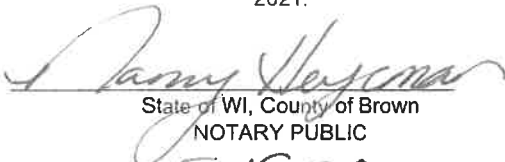
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

01/19/2021



Legal Clerk

Subscribed and sworn before me this January 19, 2021:



State of WI, County of Brown
NOTARY PUBLIC
5.15.23
My commission expires

CASE NO. 21640: Notice to all affected parties, as well as their heirs and devisees, of Bankers Life and Casualty Company, COG Operating LLC, Concho Oil and Gas, LLC, Tascosa Energy Partners, LLC, EOG Y Resources, Inc., Canyon Draw Resources, LLC, Oxy USA, WTP L, Virginia M. Grady, Leo Momsen III, Margaret Momsen, Frances M. Cunningham, Clarence L. North, Will Holt and Vina Holt, Meredith Jones, Jonell Jones, Yates Brothers Partnership, Marathon Oil Corporation, 806 Energy, LLC, and Mongoose Minerals LLC of Apache Corporation's Application to Amend Order No. R-21139, Eddy County, New Mexico. The State of New Mexico through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on **February 4, 2021** to consider this application. Due to state building closures during the COVID-19 Public Health Emergency, the hearing will be conducted remotely. You may access the instructions to appear under "OCD NOTICES" at <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant seeks an order from the Division for the limited purposes of (1) conforming Division Order No. R21139 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and (2) amending Order No. R-21139 to allow for a one-year extension of time to commence drilling the well under the Order. The Division issued Order No. R-21139 on February 21, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 S/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico and required commencement of drilling the well within one year of the date of the Order. Good cause exists for Apache's request for an extension of time due to current market conditions.

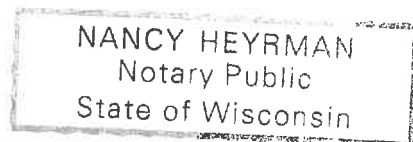
#4559042, Current Argus, Jan. 19, 2021

Ad # 0004559042

PO #: 21640

of Affidavits 1

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Ad # 0004559053

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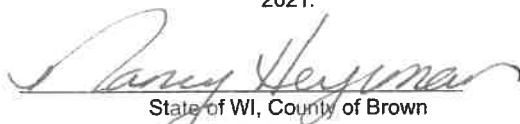
ALBUQUERQUE, NM 87103

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

01/19/2021


Legal Clerk

Subscribed and sworn before me this January 19, 2021:


State of WI, County of Brown
NOTARY PUBLIC
5.15.23
My commission expires

CASE NO. 21641: Notice to all affected parties, as well as their heirs and devisees, of Bankers Life and Casualty Company, COG Operating LLC, Concho Oil and Gas, LLC, Tascosa Energy Partners, LLC, EOG Y Resources, Inc., Canyon Draw Resources, LLC, Oxy USA, WTP L, Virginia M. Grady, Leo Momsen III, Margaret Momsen, Frances M. Cunningham, Clarence L. North, Will Holt and Vina Holt, Meredith Jones, Jonell Jones, Yates Brothers Partnership, Marathon Oil Corporation, 806 Energy, LLC, and Mongoose Minerals LLC of Apache Corporation's Application to Amend Order No. R-21140, Eddy County, New Mexico. The State of New Mexico through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on February 4, 2021 to consider this application. Due to state building closures during the COVID-19 Public Health Emergency, the hearing will be conducted remotely. You may access the instructions to appear under "OCD NOTICES" at <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant seeks an order from the Division for the limited purposes of (1) conforming Division Order No. R21140 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and (2) amending Order No. R-21140 to allow for a one-year extension of time to commence drilling the well under the Order. The Division issued Order No. R-21140 on February 21, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 S/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico and required commencement of drilling the well within one year of the date of the Order. Good cause exists for Apache's request for an extension of time due to current market conditions.

#4559053, Current Argus, Jan. 19, 2021

NANCY HEYRMAN
Notary Public
State of Wisconsin

Ad # 0004559053
PO #: 21641
of Affidavits 1

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