

## **Davidson, Florene, EMNRD**

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**From:** Jordan L. Kessler <JLKessler@hollandhart.com>  
**Sent:** Thursday, December 8, 2016 11:15 AM  
**To:** Davidson, Florene, EMNRD  
**Cc:** Jones, William V, EMNRD  
**Subject:** Case No. 15594: Southern Comfort 25-36 State Com X #2H Well

**Case No. 15594:** Amended Application of BC Operating, Inc., Crown Oil Partners V, Crump Energy Partners, and Nadel and Gussman Permian, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a 160-acre, more or less, non-standard spacing and proration unit comprised of the SE/4 of Section 25, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interest owners in the Wolfcamp formation (WC; Salt Draw; Wolfcamp (G) Pool (Pool Code 97721)) underlying the E/2 of Section 36 and the proposed non-standard spacing and proration unit comprised of the SE/4 of Section 25 to form a non-standard 480-acre spacing and proration unit for the proposed horizontal well. Said non-standard unit is to be dedicated to applicants' proposed **Southern Comfort 25-36 State Com X #2H Well**, which will be drilled horizontally from the NE/4 SE/4 (Unit I) of Section 25 to a non-standard bottomhole location in the SE/4 SE/4 (Unit P) of Section 36. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of BC Operating, Inc., as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 10 miles southwest of Carlsbad, New Mexico.

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