

Examiner Hearing – March 2, 2017

Docket No. 10-17

Page 5 of 5

Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the W/2E/2 of Section 15. The unit will be dedicated to the **Pronghorn 15 B3BO Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NW/4NE/4, and a terminus in the SW/4SE/4, of Section 15. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 17-1/2 miles southwest of Oil Center, New Mexico.

20. Case No. 15602: (Continued from the January 5, 2017 Examiner Hearing.)

Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2W/2 of Section 15, Township 23 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2W/2 of Section 15. The unit will be dedicated to the **Pronghorn 15 B3CN Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NE/4NW/4, and a terminus in the SE/4SW/4, of Section 15. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 18 miles southwest of Oil Center, New Mexico.

21. Case No. 15621: (Continued from the January 19, 2017 Examiner Hearing.)

Application of Opal Resources Operating Co., LLC & Opal Resources II, LLC for a Non-Standard Spacing and Proration Unit, a Non-Standard Project Area, and Compulsory Pooling, Lea County, New Mexico. Applicant in the above styled cause seeks an order (1) creating a non-standard, 200-acre, more or less, spacing and proration unit comprised of W/2W/2 Section 29 and NW/4NW/4 Section 32, Township 19 South, 39 East, NMPM, Lea County, New Mexico; (2) approving a non-standard project area; and (3) pooling all mineral interests in the Nadine/Abo Formation underlying said acreage. Said non-standard unit is to be dedicated to Applicant's **Jade 19S-39E-S29 No. 1H Well**, to be vertically drilled from the surface location in NW/4NW/4 (Unit D) of Section 29 to the Nadine/Abo Formation to the bottom hole location of in NW/4NW/4 (Unit D) of Section 32. The completed interval for this well will remain within the 330-foot standard offset required by the Rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of Opal Resources Operating Co., LLC as operator of the well, and a 200% penalty for risk involved in the drilling the well.