

*Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.* Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation underlying a 320-acre, more or less, spacing and proration unit comprised of the N/2 of Section 32, Township 20 South, Range 29 East, Eddy County, New Mexico. Said spacing and proration unit is to be dedicated to applicant's proposed **Pennzoil 32 Fed No. 201H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 33 to a non-standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 32. The completed interval for this well is unorthodox because it does not comply with the 660-foot setbacks for gas wells pursuant to the statewide rules. Matador will apply administratively for approval of an unorthodox location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 11 miles northeast of Carlsbad, NM.

27.. **Case No. 15758:** (Continued from the August 17, 2017 Examiner Hearing.)

*Application of OneEnergy Partners Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant in the above-styled cause seeks an order (1) creating a 322.42-acre spacing and proration unit in the Bone Spring Formation comprised of the W/2 W/2 of Section 1 and the W/2 W/2 of Section 12, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interest owners within the non-standard spacing and proration unit. Said unit will be the project area for its proposed **Lobo Rojo B3 State Com No. 1H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 12 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 1. The completed interval for this well will comply with the 330-foot standard setbacks for oil wells. 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 OneEnergy Partners Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles west of Eunice, New Mexico.

28.. **Case No. 15759:** (Continued from the August 17, 2017 Examiner Hearing.)

*Application of OneEnergy Partners Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant in the above-styled cause seeks an order (1) creating a 322.49-acre spacing and proration unit in the Bone Spring Formation comprised of the E/2 W/2 of Section 1 and the E/2 W/2 of Section 12, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interest owners within the non-standard spacing and proration unit. Said unit will be the project area for its proposed **Lobo Rojo B3 State Com No. 2H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 12 to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 1. The completed interval for this well will comply with the 330-foot standard setbacks for oil wells. 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 OneEnergy Partners Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles west of Eunice, New Mexico.

29.. **Case No. 15348 (re-opened):** (Continued from the August 17, 2017 Examiner Hearing.)

*Application Of WPX Energy Production, LLC To Amend Order R-14100 To Expand The West Escavada Unit And The Corresponding West Escavada Unit; Mancos Pool, Sandoval Counties and San Juan, New Mexico.* Applicant seeks to amend Order R-14100 to (1) expand the geographic area of the West Escavada Unit by 960 acres of Federal and Indian allotted land, and (2) expand the corresponding West Escavada Unit; Mancos Pool created by that Order to allow horizontal wells to be located anywhere within the Unit so long as the completed interval is no closer than 330 feet from the outer boundary of the expanded West Escavada Unit area. The proposed expanded Unit Area will consist of approximately 2,886.42 acres of Federal and Indian Allotted lands located in in all or parts of the following sections in San Juan and Sandoval Counties, New Mexico:

**TOWNSHIP 22 NORTH, RANGE 7 WEST, SANDOVAL COUNTY**

Section 7: S/2  
Section 8: S/2  
Section 17: All  
Section 18: All

**TOWNSHIP 22 NORTH, RANGE 8 WEST, SAN JUAN COUNTY**

Section 12: S/2\*  
Section 13: All\*

The unitized interval includes the Mancos formation at a depth of 3,858 feet down to the stratigraphic equivalent of the base of the Greenhorn formation at a depth of 5,695 feet as encountered in the Fulton well in Section 31, Township 23 North, Range 7 West, N.M.P.M (API No. 30-043-05164). The subject acreage is located approximately 6.5 miles Southwest of Counselor, New Mexico.

30.. **Case No. 15792:** (Continued from the August 17, 2017 Examiner Hearing.)

*Application of Forty Acres Energy, LLC for statutory unitization, Lea County, New Mexico.* Applicant seeks an order statutorily unitizing all mineral interests in the Yates-Seven Rivers-Queen formation in the proposed West Eumont Unit underlying 7977.30 acres of federal, state, and fee lands covering all or parts of Sections 21, 22, 26-29, and 32-35 of Township 20 South, Range 36

East, N.M.P.M., and Sections 1-3, 11, and 12 of Township 21 South, Range 35 East, N.M.P.M. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 *et seq.*, will be: The necessity of unit operations; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investments, to each of the tracts in the unit area; the determination of credits and charges to be made among the working interest owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate. The unit area is centered approximately 5 miles northwest of Oil Center, New Mexico.

31.. Case No. 15793: (Continued from the August 17, 2017 Examiner Hearing.)

**Application of Forty Acres Energy, LLC for approval of a secondary recovery project and to qualify the project for the recovered oil tax rate, Lea County, New Mexico.** Applicant seeks approval to institute a secondary recovery project in the West Eumont Unit Area by the injection of water into the Yates-Seven Rivers-Queen formation in wells located on 7977.30 acres of federal, state, and fee lands covering all or parts of Sections 21, 22, 26-29, and 32-35 of Township 20 South, Range 36 East, N.M.P.M., and Sections 1-3, 11, and 12 of Township 21 South, Range 35 East, N.M.P.M. Applicant further requests that the secondary recovery project for the West Eumont Unit Area be qualified for the recovered oil tax rate, pursuant to the Enhanced Oil Recovery Act (L. 1992, ch. 38) and Division regulations. The unit area is centered approximately 5 miles northwest of Oil Center, New Mexico.

32.. Case No. 15799: (Continued from the August 17, 2017 Examiner Hearing.)

**Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against CFM Oil, L.L.C., for Wells Operated in Eddy County, New Mexico.** The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, ("Bureau") through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD or Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator CFM Oil, L.L.C., ("Operator") is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

33. Case No. 15812: **Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 16 and the E/2 W/2 of Section 21, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's two proposed initial wells: the proposed White Falcon 16 Federal Com No. 21H Well and the proposed White Falcon 16 Federal Com No. 22H Well, which will be simultaneously drilled and completed. The proposed initial wells will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 16 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 21. The completed interval for each well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 11 miles northwest of Jal, New Mexico.

34. Case No. 15813: **Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 16 and the W/2 W/2 of Section 21, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's two proposed initial wells: the proposed White Falcon 16 State Com No. 23H Well and the proposed White Falcon 16 State Com No. 24H Well, which will be simultaneously drilled and completed. The proposed initial wells are will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 21. The completed interval for each well will remain within the 330-foot offset as required by the Statewide rules for oil wells. Also, to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 11 miles northwest of Jal, New Mexico.

35.. Case No. 15801: (Continued from the August 17, 2017 Examiner Hearing.)

**Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Yarbrough Oil LP, for Wells Operated in Lea County, New Mexico.** The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, ("Bureau") through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD or Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Yarbrough Oil LP, ("Operator") is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.