

DOCKET: EXAMINER HEARING - THURSDAY – OCTOBER 26, 2017

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

Docket Nos. 39-17 and 40-17 are tentatively set for November 8, 2017 and November 30, 2017. Applications for hearing must be filed at least thirty (30) days in advance of the hearing date. OCD Rule Subsection B of 19.15.4.13 NMAC requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued. A party who plans on using projection equipment at a hearing must contact Florene Davidson, seven (7) business days prior to the hearing, requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer. The following cases will be heard by an Examiner.

Locator Key for Cases

Case 15689 - No. 24
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Case 15773 - No. 28
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Case 15857 - No. 1
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Case 15863 - No. 8
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Case 15866 - No. 11
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Case 15868 - No. 13
Case 15869 - No. 14
Case 15870 - No. 15
Case 15871 - No. 16
Case 15872 - No. 17

1. **Case No.15857: Application of COG Operating LLC for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order (i) creating a 343.26-acre, more or less, non-standard oil spacing and proration unit (project area) comprised of Lots 2, 3, and 4 in Section 19, Lots 1, 2, 3, and 4 in Section 30, and Lots 1 and 2 in Section 31, Township 26 South, Range 32 East, NMPM, in Eddy County, and (ii) pooling all mineral interests in the Wolfcamp formation underlying this acreage. The project area is to be dedicated to applicant's **Copperhead 31 Fee #20H well** (API No. 30-015-44319), which will be horizontally drilled from a surface location in Lot 2 of Section 31 to a bottom hole location in Lot 2 of Section 19, Township 26 South, Range 29 East. The completed interval for the well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of COG Operating LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The proposed project area is located approximately fifteen (15) miles south of Malaga, New Mexico.

2. **Case No. 15848: (Continued from the October 12, 2017 Examiner Hearing.)**

Application of Cimarex Energy Co. for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the W/2 W/2 of Section 7, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Lea 7 Federal Com. #1H well**, to be horizontally drilled. The producing area for this well will be 330 feet from the project area boundary. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles southeast of the intersection of Hobbs Highway 180 and County Road 27-A/Marathon Road, located in Lea County, New Mexico.

3. **Case No. 15858: (This case will be dismissed.)**

Application of Devon Energy Production Company L.P. for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit comprised of the W/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation, underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Gaucha 21 Fed 5H well** to be drilled from and approximate surface location 275 feet from the south line and 1,800 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 1,700 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately ¾ mile west of the intersection of Highway 32 and San Simon Road.

4. **Case No. 15859: (This case will be dismissed.)**

Application of Devon Energy Production Company L.P. for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit comprised of the E/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Gaucha 21 Fed 6H well** to be drilled from an approximate surface location 175 feet from the south line and 185 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 380 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately ¾ mile west of the intersection of Highway 32 and San Simon Road.

5. **Case No. 15860: Application of DGP Energy, LLC for approval of a unit agreement, Lea County, New Mexico:** Applicant seeks approval of the Unit Agreement for the Gold Wolf Unit Area, comprising 1,115.52 acres of state lands comprising the N/2 and SE/4 of Section 24, Township 16 South, Range 34 East, NMPM and all of Section 19, Township 16 South, Range 35 East, NMPM. The proposed unit area is centered approximately 9-1/2 miles west-southwest of Lovington, New Mexico.

6. **Case No 15861: Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 479.88-acre non-standard gas spacing and proration unit in the Wolfcamp formation underlying Lots 1 and 2, S/2 NE/4, and SE/4 (the E/2) of Section 6 and the NE/4 of Section 7, Township 24 South, Range 28 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to (i) The **Motley 6/7 W0AH Fed. Com. Well No. 1H**, to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in Lot 1 of Section 6 and a terminus in the SE/4 NE/4 of Section 7. The beginning and end of the producing interval will be orthodox; and (ii) The **Motley 6/7 W2AH Fed. Com. Well No. 2H** to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in Lot 1 of Section 6 and a terminus in the SE/4 NE/4 of Section 7. The beginning and end of the producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the wells and

the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 3-1/2 miles west-northwest of Malaga, New Mexico.

7. **Case No. 15862: Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 480-acre non-standard gas spacing and proration unit in the Wolfcamp formation underlying the E/2 of Section 11 and the NE/4 of Section 14, Township 26 South, Range 29 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to: (i) the **Fuller 14/11 W2HA Fed. Well No. 3H**, to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the SE/4 NE/4 of Section 14 and a terminus in the NE/4 NE/4 of Section 11. The beginning and end of the producing interval will be orthodox; and (ii) the **Fuller 14/11 W1HA Fed. Well No. 2H** to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the SE/4 NE/4 of Section 14 and a terminus in the NE/4 NE/4 of Section 11. The beginning and end of the producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 14 miles southeast of Malaga, New Mexico.

8. **Case No. 15863: Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 480-acre non-standard gas spacing and proration unit in the Wolfcamp formation underlying the SE/4 of Section 14 and the E/2 of Section 23, Township 26 South, Range 29 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to: (i) the **Fuller 14/23 W2IP Fed. Well No. 4H**, to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the SE/4 NE/4 of Section 14 and a terminus in the SE/4 SE/4 of Section 23. The beginning and end of the producing interval will be orthodox; and (ii) the **Fuller 14/23 W1IP Fed. Well No. 1H** to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the SE/4 NE/4 of Section 14 and a terminus in the SE/4 SE/4 of Section 23. The beginning and end of the producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 15 miles southeast of Malaga, New Mexico.

9. **Case No. 15864: Application of Devon Energy Production Company, L.P. for cancelation or suspension of applications for permit to drill issued to XTO Energy Inc., Eddy County, New Mexico.** Applicant seeks an order canceling or suspending twenty-four (24) applications for permit to drill issued to XTO Energy Inc. for proposed horizontal Bone Spring and Wolfcamp wells located in Section 24 and the N/2 of Section 25, Township 23 South, Range 29 East, N.M.P.M. The proposed wells are located approximately 4-1/2 miles northeast of Harroun, New Mexico.

10. **Case No. 15865: Application of Chisholm Energy 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 160-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 34, Township 21 South, Range 34 East, NMPM, Lea County New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Grama Ridge East 34 State 3BS No. 2H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 34. The completed interval for the 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 Chisholm Energy Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles west of Eunice, New Mexico.

11. **Case No. 15866: Application of Chisholm Energy 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 160-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 34, Township 21 South, Range 34 East, NMPM, Lea County New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Grama Ridge East 34 State 3BS No. 3H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 34. The completed interval for the 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 Chisholm Energy Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles west of Eunice, New Mexico.

12. **Case No. 15867: Application of Chisholm Energy 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 160-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 34, Township 21 South, Range 34 East, NMPM, Lea County New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Grama Ridge East 34 State 3BS No. 8H Well**, which will be drilled horizontally from a surface location in the SE/4 SE/4 (Unit P) to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 34. The completed interval for the 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 Chisholm Energy Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles west of Eunice, New Mexico.

13. **Case No. 15868: Application of Chisholm Energy 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 160-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 34, Township 21 South, Range 34 East, NMPM, Lea County New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Grama Ridge East 34 State 3BS No. 9H Well**, which will be drilled horizontally from a surface location in the SE/4 SE/4 (Unit P) to a standard bottom hole location in the NE/4 NE/4 (Unit A) of Section 34. The completed interval for the 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 Chisholm Energy Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles west of Eunice, New Mexico.

14. **Case No. 15869: Application of OXY USA Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 318.88-acre spacing and proration unit comprised of the N/2 N/2 of Section 1 and the N/2 N/2 of Section 2, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Corral Fly "02-01" State No. 21H Well** and the proposed **Corral Fly "02-01" State No. 22H Well**. These wells will be horizontally drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 2 to a standard bottom hole location in the NE/4 NE/4 (Lot 1) of Section 1. The completed interval for the **Corral Fly "02-01" State No. 21H Well** will remain within the 330-foot standard offset required by the Division's rules. The completed interval for the **Corral Fly "02-01" State No. 22H Well** will be unorthodox. OXY will apply administratively for approval of an unorthodox location for the **Corral Fly "02-01" State No. 22H Well**. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA Inc. as operator of the wells and a 200% charge for risk involved in drilling said well. Said area is located approximately 9 miles southeast of Malaga, N.M.

15. **Case No. 15870: Application of OXY USA Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 320-acre spacing and proration unit comprised of the S/2 N/2 of Section 1 and the S/2 N/2 of Section 2, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Corral Fly "02-01" State No. 23H Well**, which will be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 2 to a standard bottom hole location in the SE/4 NE/4 (Unit H) of Section 1. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 9 miles southeast of Malaga, N.M.

16. **Case No. 15871: Application of OXY USA Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 320-acre spacing and proration unit comprised of the N/2 S/2 of Section 1 and the N/2 S/2 of Section 2, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be the project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed **Corral Fly "02-01" State No. 24H Well** and the proposed **Corral Fly "02-01" State No. 25H Well**. These wells will be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 2 to a standard bottom hole location in the NE/4 SE/4 (Unit I) of Section 1. The completed interval for the **Corral Fly "02-01" State No. 24H Well** will remain within the 330-foot standard offset required by the Division's rules. The completed interval for the **Corral Fly "02-01" State No. 25H Well** will be unorthodox. OXY will apply administratively for approval of an unorthodox location for the **Corral Fly "02-01" State No. 25H Well**. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA Inc. as operator of the wells and a 200% charge for risk involved in drilling said well. Said area is located approximately 9 miles southeast of Malaga, N.M.

17. **Case No. 15872: Application of OXY USA Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 320-acre spacing and proration unit comprised of the N/2 S/2 of Section 1 and the N/2 S/2 of Section 2, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Corral Fly "02-01" State No. 26H Well, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 2 to a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 1. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 9 miles southeast of Malaga, N.M.

18. **Case No. 15844: Amended Application Of XTO Energy Inc. For Approval Of The Expansion of the James Ranch Unit, Eddy County, New Mexico.** Applicant seeks approval to expand the geographic area of the James Ranch Unit by 13,223.68 acres of land. Said Unit currently consists of approximately 15,094.41 acres of Federal, Fee, and State Acreage in Eddy County, New Mexico. The total unit acreage will include 28,318.09 acres. XTO seeks to expand the Unit to include the following Federal and State lands situated in Eddy County, New Mexico:

Township 21 South - Range 30 East N.M.P.M.

Section 25: All
Section 26: All
Section 27: S/2
Section 33: All
Section 34: W/2; NE/4
Section 31: Lots 1-8; E/2W/2; E/2
Section 32: All
Section 34: SE/4

Township 22 South - Range 29 East N.M.P.M.

Section 1: Lots 1-4; S/2N/2; S/2
Section 11: All
Section 12: All
Section 13: All
Section 14: All

Township 22 South - Range 30 East N.M.P.M.

Section 18: Lots 1-4; E/2W/2; E/2
Section 7: Lots 1-4; E/2W/2; E/2
Section 6: Lots 1-7; SE/4NW/4; E/2SW/4; SE/4; S/2NE/4
Section 5: Lots 1-4; S/2N/2; S/2
Section 4: Lots 1-4; S/2N/2; S/2
Section 3: Lots 1-4; S/2N/2; S/2
Section 10: All
Section 9: All
Section 8: All
Section 17: W/2NW/4

The unitized interval includes all depths. The James Ranch Unit Expansion Area is approximately 20 miles east of Carlsbad, New Mexico.

19. **Case No. 15825: (Continued from the October 12, 2017 Examiner Hearing.)**
Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Garner's Well Service, LLC, for a Well Operated in Lea County, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), 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 Garner's Well Service, LLC ("Operator") is out of compliance with 19.15.5.9, 19.15.8, and 19.15.25.8 NMAC; (2) requiring Operator to return to compliance with 19.15.5.9, 19.15.8, and 19.15.25.8 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 compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

20. Case No. 15821: (Continued from the October 12, 2017 Examiner Hearing.)

Application of Kaiser-Francis Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant seeks an order (i) creating a new pool for horizontal development of the Bone Spring formation, designated the South Bell Lake-Bone Spring Pool, and (ii) instituting special rules and regulations for the pool. The new pool will include Section 36 of Township 23 South, Range 33 East, NMPM, Sections 31 and 32 of Township 23 South, Range 34 East, NMPM, Sections 1 and 12 of Township 24 South, Range 33 East, NMPM, and Sections 5-8 of Township 24 South, Range 34 East, NMPM. The special rules will include standard 480 acre oil spacing and proration units, special well location requirements, a depth bracket allowable of 9600 barrels of oil per day for a standard 480 acre unit, and a gas:oil ratio of 5000:1. The proposed pool is centered approximately 21-1/2 miles southwest of Eunice, New Mexico.

21. Case No. 15822: (Continued from the October 12, 2017 Examiner Hearing.)

Application of Kaiser-Francis Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant seeks an order (i) creating a new pool for horizontal development of the Wolfcamp formation, designated the South Bell Lake-Wolfcamp Pool, and (ii) instituting special rules and regulations for the pool. The new pool will include Section 36 of Township 23 South, Range 33 East, NMPM, Sections 31 and 32 of Township 23 South, Range 34 East, NMPM, Sections 1 and 12 of Township 24 South, Range 33 East, NMPM, and Sections 5-8 of Township 24 South, Range 34 East, NMPM. The special rules will include standard 480 acre oil spacing and proration units, special well location requirements, a depth bracket allowable of 6000 barrels of oil per day for a standard 480 acre unit, and a gas:oil ratio of 5000:1. The proposed pool is centered approximately 21-1/2 miles southwest of Eunice, New Mexico.

22. Case No. 15823: (Continued from the October 12, 2017 Examiner Hearing.)

Application of Kaiser-Francis Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant seeks an order (i) creating a new pool for horizontal development of the Bone Spring formation, designated the Southwest Ojo Chiso-Bone Spring Pool, and (ii) instituting special rules and regulations for the pool. The new pool will include Section 36 of Township 22 South, Range 33 East, NMPM, Sections 31 and 32 of Township 22 South, Range 34 East, NMPM, Sections 1 and 12 of Township 23 South, Range 33 East, NMPM, and Sections 5-8 of Township 23 South, Range 34 East, NMPM. The special rules will include standard 480 acre oil spacing and proration units, special well location requirements, a depth bracket allowable of 9600 barrels of oil per day for a standard 480 acre unit, and a gas:oil ratio of 5000:1. The proposed pool is centered approximately 15-1/2 miles southwest of Oil Center, New Mexico.

23. Case No. 15824: (Continued from the October 12, 2017 Examiner Hearing.)

Application of Kaiser-Francis Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant seeks an order (i) creating a new pool for horizontal development of the Wolfcamp formation, designated the Southwest Ojo Chiso-Wolfcamp Pool, and (ii) instituting special rules and regulations for the pool. The new pool will include Section 36 of Township 22 South, Range 33 East, NMPM, Sections 31 and 32 of Township 22 South, Range 34 East, NMPM, Sections 1 and 12 of Township 23 South, Range 33 East, NMPM, and Sections 5-8 of Township 23 South, Range 34 East, NMPM. The special rules will include standard 480 acre oil spacing and proration units, special well location requirements, a depth bracket allowable of 6000 barrels of oil per day for a standard 480 acre unit, and a gas:oil ratio of 5000:1. The proposed pool is centered approximately 15-1/2 miles southwest of Oil Center, New Mexico.

24. Case No. 15689 (re-opened): (Continued from the October 12, 2017 Examiner Hearing.)

Application of Mewbourne Oil Company to re-open Case No. 15689 for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 480 acre non-standard spacing and proration unit in the Wolfcamp formation underlying the SE/4 of Section 23 and the E/2 of Section 24, Township 24 South, Range 28 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to (a) the **Queen 23/24 W0OP Fed. Com. Well No. 1H**, a horizontal well with a surface location in the SE/4 SW/4 of Section 23 and a terminus in the SE/4 SE/4 of Section 24, and (b) the **Queen 23/24 W2OP Fed. Com. Well /4 o. 2H**, a horizontal well with a surface location in the SE/4 SW/4 of Section 23 and a terminus in the SE/4 SE/4 of Section 24. The beginning and end of the producing interval in each well will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 2-1/2 miles southeast of Malaga, New Mexico.

25. Case No. 15782: (Continued from the August 31, 2017 Examiner Hearing.)

(This case will be continued to the December 21, 2017 Examiner Hearing.)

Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 16, Township 19 South, Range 34 East, Lea County, New Mexico and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Cimarron 16-19S-34E RN No. 131H Well**, which will be horizontally drilled from a surface

location in the NW/4 NW/4 (Unit D) to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 16. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles west of Hobbs, NM.

26. **Case No. 15783:** (Continued from the August 31, 2017 Examiner Hearing.)

(This case will be continued to the December 21, 2017 Examiner Hearing.)

Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 16, Township 19 South, Range 34 East, Lea County, New Mexico and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Cimarron State 16-19S-34E RN No. 132H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 16. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles west of Hobbs, NM.

27. **Case No. 15755:** (Continued from the October 12, 2017 Examiner Hearing.)

Application of Cimarex Energy Co. for a Non-Standard Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit comprised of the W/2 of Sections 12 and 13, Township 25 South, Range 28 East NMPM, Eddy County, New Mexico, pooling all mineral interests in the Wolfcamp formation, Purple Sage Wolfcamp Gas Pool (98220), underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Riverbend 12-13 Fed Com 29H** well to be drilled from an approximate surface location 330 feet from the north line and 2200 feet from the west line of Section 12, Township 25 South, Range 28 east, to a bottomhole location 330 feet from the south line and 2200 feet from the west line of Section 13, Township 25 South, Range 28 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant and Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately eight miles southeast of Malaga, New Mexico.

28. **Case No. 15773:** (Continued from the September 28, 2017 Examiner Hearing.)

Amended Application of RKI Exploration and Production, 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 non-standard, 640-acre, more or less, spacing and proration unit comprised of E/2 of Section 19 and the E/2 Section 30, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation (Purple Sage Wolfcamp Gas Pool (98220)) underlying this acreage. Said non-standard unit is to be dedicated to the applicant's proposed **Pistol 19-30 Federal Com No. 1H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit A) of Section 19 to a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 30. The completed interval for this well will remain within the 330-foot standard offset required by the Special Rules set forth in Order No. R-14262. 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 RKI Exploration and Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles southeast of Malaga, New Mexico.

29. **Case No. 15774:** (Continued from the September 28, 2017 Examiner Hearing.)

Amended application of RKI Exploration and Production, 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 non-standard, 448.88-acre, more or less, spacing and proration unit comprised of W/2 of Section 29 and the NW/4 of irregular Section 32, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation (Purple Sage Wolfcamp Gas Pool (98220)) underlying this acreage. Said non-standard unit is to be dedicated to the applicant's proposed **Schooner 32-29 Federal Com No. 1H Well**, which will be horizontally drilled from a surface location in the SW/4 NW/4 (Lot 4) of irregular Section 32 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 29. The completed interval for this well will remain within the 330-foot standard offset required by the Special Rules set forth in Order No. R-14262. 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 RKI Exploration and Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 17 miles southeast of Malaga, New Mexico.

30. **Case No. 15830:** (Continued from the October 12, 2017 Examiner Hearing)

Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 24 and the W/2 E/2 of Section 25, Township 24 South, Range 34 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 proposed **Baseball Cap Federal Com No. 24H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 25 to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 24. The completed interval for this 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 15 miles northwest of Jal, New Mexico.

31. Case No. 15831: (Continued from the October 12, 2017 Examiner Hearing.)

Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 24 and the E/2 W/2 of Section 25, Township 24 South, Range 34 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 proposed **Baseball Cap Federal Com No. 26H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 25 to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 24. The completed interval for this 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 15 miles northwest of Jal, New Mexico,

32. Case No. 15832: (Continued from the October 12, 2017 Examiner Hearing.)

Amended Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) authorizing a non-standard spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 480-acre non-standard spacing and proration unit comprised of the W/2 of Section 24 and the NW/4 of Section 25, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico; (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's six proposed initial wells:

- o The proposed **Remuda North 25 State No. 101H Well**, which will be horizontally drilled from a surface location in the NW/4 SW/4 of Section 25 (Unit L) to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 24;
- o The proposed **Remuda North 25 State No. 103H Well**, which will be horizontally drilled from a surface location in the NE/4 SW/4 of Section 25 (Unit K) to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 24;
- o The proposed **Remuda North 25 State No. 121H Well**, which will be horizontally drilled from a surface location in the NW/4 SW/4 of Section 25 (Unit L) to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 24;
- o The proposed **Remuda North 25 State No. 122H Well**, which will be horizontally drilled from a surface location in the NW/4 SW/4 of Section 25 (Unit L) to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 24;
- o The proposed **Remuda North 25 State No. 123H Well**, which will be horizontally drilled from a surface location in the NE/4 SW/4 of Section 25 (Unit K) to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 24;
- o The proposed **Remuda North 25 State No. 124H Well**, which will be horizontally drilled from a surface location in the NE/4 SW/4 of Section 25 (Unit K) to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 24.

The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of each well and a 200% charge for risk involved in drilling said well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

33. Case No. 15833: (Continued from the October 12, 2017 Examiner Hearing.)

Amended Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) authorizing a non-standard spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 480-acre non-standard spacing and proration unit comprised of the SW/4 of Section 25 and the W/2 of Section 36, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico; (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's six proposed initial wells:

- o The proposed **Remuda South 25 State No. 101H Well**, which will be horizontally drilled from a surface location in the SW/4 NW/4 of Section 25 (Unit E) to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 36;
- o The proposed **Remuda South 25 State No. 103H Well**, which will be horizontally drilled from a surface location in the SE/4 NW/4 of Section 25 (Unit F) to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 36;

- The proposed **Remuda South 25 State No. 121H Well**, which will be horizontally drilled from a surface location in the SW/4 NW/4 of Section 25 (Unit E) to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 36;
- The proposed **Remuda South 25 State No. 122H Well**, which will be horizontally drilled from a surface location in the SW/4 NW/4 of Section 25 (Unit E) to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 36;
- The proposed **Remuda South 25 State No. 123H Well**, which will be horizontally drilled from a surface location in the SE/4 NW/4 of Section 25 (Unit F) to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 36;
- The proposed **Remuda South 25 State No. 124H Well**, which will be horizontally drilled from a surface location in the SE/4 NW/4 of Section 25 (Unit F) to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 36.

The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

34. Case No. 15834: (Continued from the October 12, 2017 Examiner Hearing.)

Amended Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) authorizing a non-standard spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 480-acre non-standard spacing and proration unit comprised of the E/2 of Section 24 and the NE/4 of Section 25, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico; (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's six proposed initial wells:

- The proposed **Remuda North 25 State No. 105H Well**, which will be horizontally drilled from a surface location in the NW/4 SE/4 of Section 25 (Unit J) to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 24;
- The proposed **Remuda North 25 State No. 107H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 of Section 25 (Unit I) to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 24;
- The proposed **Remuda North 25 State No. 125H Well**, which will be horizontally drilled from a surface location in the NW/4 SE/4 of Section 25 (Unit J) to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 24;
- The proposed **Remuda North 25 State No. 126H Well**, which will be horizontally drilled from a surface location in the NW/4 SE/4 of Section 25 (Unit J) to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 24;
- The proposed **Remuda North 25 State No. 127H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 of Section 25 (Unit I) to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 24;
- The proposed **Remuda North 25 State No. 128H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 of Section 25 (Unit I) to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 24.

The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the well and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

35. Case No. 15835: (Continued from the October 12, 2017 Examiner Hearing.)

Amended Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) authorizing a non-standard spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 480-acre non-standard spacing and proration unit comprised of the SE/4 of Section 25 and the E/2 of Section 36, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico; (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's six proposed initial wells:

- The proposed **Remuda South 25 State No. 105H Well**, which will be horizontally drilled from a surface location in the SW/4 NE/4 of Section 25 (Unit G) to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 36;

- The proposed **Remuda South 25 State No. 107H Well**, which will be horizontally drilled from a surface location in the SE/4 NE/4 of Section 25 (Unit H) to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 36;
- The proposed **Remuda South 25 State No. 125H Well**, which will be horizontally drilled from a surface location in the SW/4 NE/4 of Section 25 (Unit G) to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 36;
- The proposed **Remuda South 25 State No. 126H Well**, which will be horizontally drilled from a surface location in the SW/4 NE/4 of Section 25 (Unit G) to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 36;
- The proposed **Remuda South 25 State No. 127H Well**, which will be horizontally drilled from a surface location in the SE/4 NE/4 of Section 25 (Unit H) to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 36;
- The proposed **Remuda South 25 State No. 128H Well**, which will be horizontally drilled from a surface location in the SE/4 NE/4 of Section 25 (Unit H) to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 36.

The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

36. Case No. 15836: (Continued from the October 12, 2017 Examiner Hearing.)

Amended Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 240-acre spacing and proration unit comprised of the comprised of the W/2 W/2 of Section 24 and the W/2 NW/4 of Section 25, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to three proposed initial wells: the proposed **Remuda North 25 State No. 701H Well**, proposed **Remuda North 25 State No. 702H Well**, and the proposed **Remuda North 25 State No. 902H Well**, which will be pad-drilled sequentially and batch completed. All three wells will be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 25 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 24. The completed interval for each well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

37. Case No. 15837: (Continued from the October 12, 2017 Examiner Hearing.)

Amended Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 240-acre spacing and proration unit comprised of the comprised of the W/2 SW/4 of Section 25 and the W/2 W/2 of Section 36, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to three proposed initial wells: the proposed **Remuda South 25 State No. 701H Well**, the proposed **Remuda South 25 State No. 702H Well**, and the proposed **Remuda South 25 State No. 902H Well**, which will be pad-drilled sequentially and batch completed. All three wells will be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 25 to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 36. The completed interval for each 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 each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of each well and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

38. Case No. 15838: (Continued from the October 12, 2017 Examiner Hearing.)

Amended Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 240-acre spacing and proration unit comprised of the comprised of the E/2 W/2 of Section 24 and the E/2 NW/4 of Section 25, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to three initial wells: the proposed **Remuda North 25 State No. 703H Well**, the proposed **Remuda North 25 State No. 704H Well**, and the proposed **Remuda North 25 State No. 904H Well**, which will be pad-drilled sequentially and batch completed. All three wells will be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 25 to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 24. The completed interval for each 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 each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is

located approximately 19 miles southeast of Carlsbad, New Mexico.

39. Case No. 15839: (Continued from the October 12, 2017 Examiner Hearing.)

Amended Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 240-acre spacing and proration unit comprised of the comprised of the E/2 SW/4 of Section 25 and the E/2 W/2 of Section 36, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to three proposed initial wells: the proposed **Remuda South 25 State No. 703H Well**, the proposed **Remuda South 25 State No. 704H Well**, and the proposed **Remuda South 25 State No. 904H Well**, which will be pad-drilled sequentially and batch completed. All three wells will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 25 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 36. The completed interval for each well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of each well and a 200% charge for risk involved in drilling said well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

40. Case No. 15840: (Continued from the October 12, 2017 Examiner Hearing.)

Amended Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 240-acre spacing and proration unit comprised of the comprised of the W/2 E/2 of Section 24 and the W/2 NE/4 of Section 25, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to three initial wells: the proposed **Remuda North 25 State No. 705H Well**, the proposed **Remuda North 25 State No. 706H Well**, and the proposed **Remuda North 25 State No. 906H Well**, which will be pad-drilled sequentially and batch completed. All three wells will be horizontally drilled from a surface location in the NW/4 SE/4 (Unit J) of Section 25 to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 24. The completed interval for each 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 each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

41. Case No. 15841: (Continued from the October 12, 2017 Examiner Hearing.)

Amended Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 240-acre spacing and proration unit comprised of the comprised of the W/2 SE/4 of Section 25 and the W/2 E/2 of Section 36, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to three proposed initial wells: the proposed **Remuda South 25 State No. 705H Well**, the proposed **Remuda South 25 State No. 706H Well**, and the proposed **Remuda South 25 State No. 906H Well**, which will be pad-drilled sequentially and batch completed. All three wells will be horizontally drilled from a surface location in the SW/4 NE/4 (Unit G) of Section 25 to a standard bottom hole location in the SW/4 SE/4 (Unit O) of Section 36. The completed interval for each 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 each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

42. Case No. 15842: (Continued from the October 12, 2017 Examiner Hearing.)

Amended Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 240-acre spacing and proration unit comprised of the comprised of the E/2 E/2 of Section 24 and the E/2 NE/4 of Section 25, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to three initial wells: the proposed **Remuda North 25 State No. 707H Well**, the proposed **Remuda North 25 State No. 708H Well**, and the proposed **Remuda North 25 State No. 908H Well**, which will be pad-drilled sequentially and batch completed. All three wells will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 25 to a standard bottom hole location in the NE/4 NE/4 (Unit A) of Section 24. The completed interval for each 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 each well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the well and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

43. Case No. 15843: (Continued from the October 12, 2017 Examiner Hearing.)

Amended Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Eddy

County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 240-acre spacing and proration unit comprised of the comprised of the E/2 SE/4 of Section 25 and the E/2 E/2 of Section 36, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to three proposed initial wells: the proposed **Remuda South 25 State No. 707H Well**, the proposed **Remuda South 25 State No. 708H Well**, and the proposed **Remuda South 25 State No. 908H Well**, which will be pad-drilled sequentially and batch completed. All three wells will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 25 to a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 36. The completed interval for each well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the wells and a 200% charge for risk involved in drilling each well. Said area is located approximately 19 miles southeast of Carlsbad, New Mexico.

44. Case No. 15855: *Continued from the October 12, 2017 Examiner Hearing.)*

Application of Delaware Energy LLC to Revoke the Injection Authority Granted Under SWD-1680 for the Alpha SWD No. 1 Well Operated by Alpha SWD Operating LLC, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order revoking the injection authority granted by Administrative Order SWD-1680 for the Alpha SWD No. 1 well (API No. 30-015-44237), a salt water disposal well located 1,457 feet from the south line and 2,093 feet from the east line of Section 10, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Alpha SWD Operating LLC is the operator of the well. The well is located approximately 4 miles southeast of Loving, New Mexico.