

NOTICE OF HEARINGS

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following cases.

The hearings will be conducted remotely on Thursday, May 4, 2023, beginning at 8:15 a.m.

To participate in the hearings, see the instructions posted below.

The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@emnrd.nm.gov.

Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>.

If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than April 24, 2023.

Persons may view and participate in the hearings through the following link:
<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=me869a41eb04a5ebfdcd9609414ba2334>

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Note: All land descriptions refer to the New Mexico Principal Meridian.

1. Case No. 23456: Application of MRC Permian Company to Amend Order R-21811 to Add Additional Pooled Parties, Eddy County, New Mexico. Applicant seeks an order from the Division amending Order R-21811 (issued in Case 22052) to add additional mineral owners to the terms of the pooling order. Order R-21811 designated Matador Production Company as the operator and pooled the uncommitted mineral interests in the Bone Spring formation [Malaga; Bone Spring Pool (42780)] underlying a standard 320-acre horizontal spacing unit comprised of the N/2 N/2 of Sections 14 and 15, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard horizontal well spacing unit is currently dedicated to the drilled and producing Bubba Burton 14 15 24S 28E #111H well (API No. 30-015-48081) and the Bubba Burton 14 15 24S 28E #121H well (API No. 30-015-48082). This area is located about a mile east of Malaga, New Mexico.

2. Case No. 23457: Application of MRC Permian Company to Amend Order R-21812 to Add Additional Pooled Parties, Eddy County, New Mexico. Applicant seeks an order from the Division amending Order R-21812 (issued in Case 22053) to add additional mineral owners to the terms of the pooling order. Order R-21812 designated Matador Production Company as the operator and pooled the uncommitted mineral interests in the Bone Spring formation [Malaga; Bone Spring Pool (42780)] underlying a standard 320-acre horizontal spacing unit comprised of the S/2 N/2 of

Sections 14 and 15, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard horizontal well spacing unit is currently dedicated to drilled and producing Ken Wilson 14 15 #112H well (API No. 30-015-48103) and the Ken Wilson 14 15 #122H well (API No. 30-015-48106). This area is located about a mile east of Malaga, New Mexico.

3. Case No. 23458: Application of Tap Rock Operating, LLC for compulsory pooling, Eddy County, New Mexico. Tap Rock Operating, LLC ("TRO") applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the N/2 of Sections 11 and 12, Township 25 South, Range 25 East, NMPM, Eddy County, New Mexico. The Unit will be dedicated to the following proposed initial wells ("Wells") which it intends to drill simultaneously: High Life Federal Com #151H to be horizontally drilled from a surface hole location in the SE/4NE/4 of Section 10 to a bottom hole location in the NE/4NE/4 of Section 12, and High Life Federal Com #152H to be horizontally drilled from a surface hole location in the SE/4NE/4 of Section 10 to a bottom hole location in the SE/4NE/4 of Section 12. The completed interval for the High Life Federal Com #152H will be within 330' of the quarter-quarter line separating the N/2N/2 from the S/2N/2 of Sections 11 and 12 to allow the inclusion of this acreage into a standard horizontal spacing unit. Also, to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Tap Rock Operating, LLC as operator of the Unit and Wells, and a 200% charge for risk involved in drilling and completing the Wells. The Unit is located approximately 3 miles southeast of Whites City, New Mexico.

4. Case No. 23459: Application of Tap Rock Operating, LLC for compulsory pooling, Eddy County, New Mexico. Tap Rock Operating, LLC ("TRO") applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the S/2 of Sections 11 and 12, Township 25 South, Range 25 East, NMPM, Eddy County, New Mexico. The Unit will be dedicated to the following proposed initial wells ("Wells") which it intends to drill simultaneously: High Life Federal Com #153H to be horizontally drilled from a surface hole location in the NW/4SW/4 of Section 11 to a bottom hole location in the NE/4SE/4 of Section 12, and High Life Federal Com #154H to be horizontally drilled from a surface hole location in the NW/4SW/4 of Section 11 to a bottom hole location in the SE/4SE/4 of Section 12. The completed interval for the High Life Federal Com #153H will be within 330' of the quarter-quarter line separating the S/2S/2 from the N/2S/2 of Sections 11 and 12 to allow the inclusion of this acreage into a standard horizontal spacing unit. Also, to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Tap Rock Operating, LLC as operator of the Unit and Wells, and a 200% charge for risk involved in drilling and completing the Wells. The Unit is located approximately 3 miles southeast of Whites City, New Mexico.

5. Case No. 23460: Application of Tap Rock Operating, LLC for compulsory pooling, Eddy County, New Mexico. Tap Rock Operating, LLC ("TRO") applies for an order pooling all uncommitted interests within the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the N/2 of Sections 11 and 12, Township 25 South, Range 25 East, NMPM, Eddy County, New Mexico. The Unit will be dedicated to the following proposed initial wells ("Wells") which it intends to drill simultaneously: High Life Federal Com #202H and High Life Federal Com #232H to be horizontally drilled from a surface hole location in the SE/4NE/4 of Section 10 to a bottom hole location in the SE/4NE/4 of Section 12, and High Life Federal Com #211H and High Life Federal Com #231H to be horizontally drilled from a surface hole location in the SE/4NE/4 of Section 10 to a bottom hole location in the NE/4NE/4 of Section 12. The completed interval for the High Life Federal Com #202H will be within 330' of the quarter-quarter line separating the N/2N/2 from the S/2N/2 of Sections 11 and 12 to allow the inclusion of this acreage into a standard horizontal spacing unit. Also, to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Tap Rock Operating, LLC as operator of the Unit and Wells, and a 200% charge for risk involved in drilling and completing the Wells. The Unit is located approximately 3 miles southeast of Whites City, New Mexico.

6. Case No. 23461: Application of Tap Rock Operating, LLC for compulsory pooling, Eddy County, New Mexico. Tap Rock Operating, LLC ("TRO") applies for an order pooling all uncommitted interests within the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the S/2 of Sections 11 and 12, Township 25 South, Range 25 East, NMPM, Eddy County, New Mexico. The Unit will be dedicated to the following proposed initial wells ("Wells") which it intends to drill simultaneously: High Life Federal Com #204H and High Life Federal Com #234H to be horizontally drilled from a surface hole location in the NW/4SW/4 of Section 11 to a bottom hole location in the SE/4SE/4 of Section 12, and High Life Federal Com #213H and High Life Federal Com #233H to be horizontally drilled from a surface hole location in the NW/4SW/4 of Section 11 to a bottom hole location in the NE/4SE/4 of Section 12. The completed interval for the High Life Federal Com #233H will be within 330' of the quarter-quarter line separating the S/2S/2 from the N/2S/2 of Sections 11 and 12 to allow the inclusion of this acreage into a standard horizontal spacing unit. Also, to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Tap Rock Operating, LLC as operator of the Unit and Wells, and a 200% charge for risk

involved in drilling and completing the Wells. The Unit is located approximately 3 miles southeast of Whites City, New Mexico.

7. Case No. 23462: Application of Spur Energy Partners, LLC for Compulsory Pooling and Overlapping Spacing Unit, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Yeso formation from a depth of approximately 3,500' TVD to the base of the formation underlying a 320-acre, more or less, standard overlapping horizontal spacing unit comprised of the S/2 of Section 28, Township 17 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the following wells (collectively "Wells"): Welch CD 28 State Com 10H, Welch CD 28 State Com 21H, Welch CD 28 State Com 51H, and Welch CD 28 State Com 91H, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 28; and Welch CD 28 State Com 20H, Welch CD 28 State Com 50H, Welch CD 28 State Com 70H, and Welch CD 28 State Com 90H, which will be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 27 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 28. The completed interval of the Welch CD 28 State Com 50H will be unorthodox. The completed interval of the Welch CD 28 State Com 10H will be located within 330' of the line separating the N/2 S/2 and S/2 S/2 of Section 28 to allow for the formation of a standard 320-acre horizontal spacing unit. Due to a depth severance in the Yeso formation within the Unit, Spur seeks to pool interests from approximately 3,500' TVD to the base of the Yeso formation at a stratigraphic equivalent of approximately 5,624' TVD. The Unit will partially overlap with the spacing unit for the Red Lake 28 K State #001 well (API #30-015-33740), Red Lake 28 K State #002 well (API #30-015-34005), Red Lake 28 K State #003 well (API #30-015-35560), Red Lake 28 K State #004 well (API #30-015-35541), Red Lake 28 N State #002 (API #30-015-34002), Red Lake 28 N State #003 well (API #30-015-34382), and Red Lake 28 N State #004 well (API #30-015-35540). The Unit will also partially overlap with the spacing unit for the Tigner State #001 well (API #30-015-31387), Tigner State #002 well (API #30-015-34994), Tigner State #003 well (API #30-015-40067), and Tigner State #004 well (API #30-015-40086). Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 13.19 miles east and 2.70 miles south of Artesia, New Mexico.

8. Case No. 23465: Application of Mewbourne Oil Company to Amend Order No. R-22183, Eddy County, New Mexico. Mewbourne Oil Company seeks an order amending Order No. R-22183, entered on July 11, 2022, to extend the well commencement deadline one year, to July 1, 2024. Order No. R-22183 pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 1 and the N/2S/2 of Section 2, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, for the purpose of drilling the Desert Eagle 1/2 B21L Fed Com. Well No. 1H and the Desert Eagle 1/2 B31L Fed Com. Well No. 1H to depths sufficient to test the Bone Spring formation, with first take points in the NE/4SE/4 of Section 1 and last take points in the NW/4SW/4 of Section 2. It requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amending the order for good cause shown. The unit is located approximately 14 miles north-northeast of Carlsbad, New Mexico.

9. Case No. 23466: Application of Mewbourne Oil Company to Amend Order No. R-22184, Eddy County, New Mexico. Mewbourne Oil Company seeks an order amending Order No. R-22184, entered on July 11, 2022, to extend the well commencement deadline one year, to July 1, 2024. Order No. R-22184 pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 1 and the S/2S/2 of Section 2, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, for the purpose of drilling the Desert Eagle 1/2 B2PM Fed Com. Well No. 1H and the Desert Eagle 1/2 B3PM Fed Com. Well No. 1H to depths sufficient to test the Bone Spring formation, with first take points in the SE/4SE/4 of Section 1 and last take points in the SW/4SW/4 of Section 2. It requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amending the order for good cause shown. The unit is located approximately 14 miles north-northeast of Carlsbad, New Mexico.

10. Case No. 23467: Application of Mewbourne Oil Company to Amend Order No. R-22188, Eddy County, New Mexico. Mewbourne Oil Company seeks an order amending Order No. R-22188, entered on July 11, 2022, to extend the well commencement deadline one year, to July 1, 2024. Order No. R-22188 pooled mineral interest owners in the Wolfcamp formation underlying a (proximity tract) horizontal spacing unit comprised of the S/2 of Section 1 and the S/2 of Section 2, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, for the purpose of drilling the Desert Eagle 1/2 W0PM Fed Com. Well No. 1H to a depth sufficient to test the Wolfcamp formation, with a first take point in the SE/4SE/4 of Section 1 and a last take point in the SW/4SW/4 of Section 2. It requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amending the order for good cause shown. The unit is located approximately 14 miles north-northeast of Carlsbad, New Mexico.

11. Case No. 23468: Application of Mewbourne Oil Company to re-open Case No. 23285 for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order re-opening Case No. 23285 and pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2 of Section 26 and the S/2 of Section 27, Township 22 South, Range 27 East, NMPM. The unit will be dedicated to (a) The Waterboy 26/27 W0IL Fee Well No. 1H, with a first take point in the NE/4SE/4 of 26 and a last take point in the NW/4SW/4 of Section 27, and (b) The Waterboy 26/27 W0PM Fee Well No. 1H, with a first take point in the SE/4SE/4 of 26 and a last take point in the SW/4SW/4 of Section 27. Also to be considered will be the cost of drilling, completing, testing, and equipping 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, completing, testing, and equipping the wells. The unit is located approximately 1 mile north of Otis, New Mexico.

12. Case No. 23469: Application of SPC Resources, LLC to Amend Order No. R-21100-B, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. R-21100-B (the "Order") to allow for a one-year extension for drilling the proposed initial well under the Order. Applicant seeks a drilling extension until July 7, 2023. The subject spacing unit is comprised of Lots 1-4 and the S/2 N/2 (N/2 equivalent) of irregular Section 5, and Lots 1-5, the SE/4 NW/4, and the S/2 NE/4 (N/2 equivalent) of irregular Section 6, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico, and is dedicated to the Betty 402H well (API No. 30-015-49105). Portions of said area are located within the city limits of Carlsbad, New Mexico.

13. Case No. 23470: Application of SPC Resources, LLC to Amend Order No. R-21104-C, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. R-21104-C (the "Order") to allow for a one-year extension for drilling the proposed initial well under the Order. Applicant seeks a drilling extension until July 7, 2024. The subject spacing unit created under the Order is comprised of the SW/4 of irregular Section 5, and Lots 6-7, the E/2 SW/4, and the SE/4 (S/2 equivalent) of irregular Section 6, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico, and is dedicated to the proposed initial Barney #303H well (API No. 30-15-49106). Portions of said area are located within the city limits of Carlsbad, New Mexico.

14. Case No. 23471: Application of Spur Energy Partners, LLC for Compulsory Pooling and Overlapping Spacing Unit, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interests within the San Andres formation, as described below, underlying a 120-acre, more or less, standard overlapping horizontal spacing unit comprised of the N/2 SE/4 and NE/4 SW/4 of Section 28, Township 17 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Welch CD 28 State Com SA 10H well ("Well") which will be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 27 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 28. The completed interval of the Well will be orthodox. Due to a depth severance in the San Andres formation within the Unit, Spur seeks to pool interests from approximately 2,099' TVD to approximately 3,109' TVD. The Unit will partially overlap with the spacing units for the Red Lake 28 K State #002 well (API #30-015-34005) and the Maloof State #001 well (API #30-015-41019). Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 13.19 miles east and 2.70 miles south of Artesia, New Mexico.

15. Case No. 23472: Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 719.78-acre, more or less, standard horizontal spacing unit comprised of the S/2 SW/4 of Section 8 and the W/2 of Sections 17 and 20, Township 26 South, Range 29 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Riverwalk Fed Com 903H well, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 29, Township 26 South, Range 29 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 8, Township 26 South, Range 29 East; and the Riverwalk Fed Com 503H well, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 29, Township 26 South, Range 29 East to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 8, Township 26 South, Range 29 East. The completed intervals of the wells will be orthodox. The completed interval of the Riverwalk Fed Com 503H well will be located within 330' of the quarter-quarter section line separating the W/2 W/2 and the E/2 W/2 of Sections 8, 17, and 20, to allow for the creation of a 719.78-acre standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 12.4 miles south of Malaga, New Mexico.

16. Case No. 23473: Application of Fasken Oil & Ranch, LTD, to Amend Order No. R-22121, Lea County, New Mexico. Applicant in the above-styled cause seeks a year extension of time for drilling the well under Order No. R-22121. The Unit is comprised of the W/2 W/2 of Sections 22 and 15, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. Order No. R-22121 pooled the uncommitted interests in the Bone Spring formation and dedicated the Unit to the proposed initial Baetz 22/15 Fed Com #1H well to be horizontally drilled from a surface location in the

SW/4 SW/4 (Unit M) of Section 22, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 15. Said area is located 29 miles northeast of Carlsbad, New Mexico.

17. Case No. 23474: Application of Fasken Oil & Ranch, LTD, to Amend Order No. R-22122, Lea County, New Mexico. Applicant in the above-styled cause seeks a year extension of time for drilling the well under Order No. R-22122. The Unit is comprised of the E/2 W/2 of Sections 22 and 15, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. Order No. R-22122 pooled the uncommitted interests in the Bone Spring formation and dedicated the Unit to the proposed initial Baetz 22/15 Fed Com #2H well to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 22, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15. Said area is located 29 miles northeast of Carlsbad, New Mexico.

18. Case No. 23475: Application of Earthstone Operating, LLC for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320.00-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Sections 7 and 18, all in Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation, designated as an oil pool, underlying the unit. Sections 7 and 18 are irregular with correction lots but there are no such lots in the proposed unit. The proposed wells to be dedicated to the horizontal spacing unit are the Outland 18-7 State Com 114H Well and the Outland 18-7 State Com 214H Well, both oil wells, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 18 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 7. The proposed unit is a straddle unit that includes lands in the E/2 E/2 of Section 7 that are within the North Wilson Deep Unit. Applicant will seek approval for this overlap. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 15 miles northwest of Eunice, New Mexico.

19. Case No. 23476: Application of Earthstone Operating, LLC for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320.00-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Sections 7 and 18, all in Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation, designated as an oil pool, underlying the unit. Sections 7 and 18 are irregular with correction lots but there are no such lots in the proposed unit. The proposed wells to be dedicated to the horizontal spacing unit are the Outland 18-7 State Com 112H Well and the Outland 18-7 State Com 212H Well, both oil wells, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 18 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 7. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 15 miles northwest of Eunice, New Mexico.

20. Case No. 23477: Application of Earthstone Operating, LLC for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320.00-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Sections 7 and 18, all in Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation, designated as an oil pool, underlying the unit. Sections 7 and 18 are irregular with correction lots but there are no such lots in the proposed unit. The proposed wells to be dedicated to the horizontal spacing unit are the Outland 18-7 State Com 113H Well and the Outland 18-7 State Com 223H Well, both oil wells, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 18 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 7. The proposed unit is a straddle unit that includes lands in the W/2 E/2 of Section 7 that are within the North Wilson Deep Unit. Applicant will seek approval for this overlap. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 15 miles northwest of Eunice, New Mexico.

21. Case No. 23478: Application of Earthstone Operating, LLC for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 285.00-acre, more or less, spacing and proration unit comprised of Lots 1 through 4 (W/2 W/2 equivalent) of Sections 7 and 18, all in Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, and (2)

pooling all mineral interests in the Bone Spring formation, designated as an oil pool, underlying the unit. Sections 7 and 18 are irregular and contain correction lots. The proposed wells to be dedicated to the horizontal spacing unit are the Outland 18-7 State Com 111H Well and the Outland 18-7 State Com 221H Well, both oil wells, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 18 to a bottom hole location in the NW/4 NW/4 (Lot 1) of Section 7. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 15 miles northwest of Eunice, New Mexico.

22. Case No. 23479: Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 27 and the E/2 E/2 of Section 34, Township 16 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Capitan 22301 27-34 State Com #16H well ("Well"), to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 27 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 34. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 2 miles south of Lovington, New Mexico.

23. Case No. 23480: Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 27 and the W/2 E/2 of Section 34, Township 16 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Capitan 22301 27-34 State Com #15H well ("Well"), to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 27, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 34. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 2 miles south of Lovington, New Mexico.

24. Case No. 23481: Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 28 and the W/2 W/2 of Section 33, Township 16 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Capitan 22301 28-33 State Com #9H well ("Well"), to be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 28 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 33. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 2 miles south of Lovington, New Mexico.

25. Case No. 23482: Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Section 28 and the E/2 W/2 of Section 33, Township 16 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Capitan 22301 28-33 State Com #10H well ("Well"), to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 28 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 33. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 2 miles south of Lovington, New Mexico.

26. Case No. 23483: Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 319.42-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 33, Township 16 South, Range 36 East, and Lot 2, SW/4 NE/4, W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 4, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Capitan 22301 33-4 State Com #11H well ("Well"), to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 33, Township 16 South, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 4, Township 17 South. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 3 miles south of Lovington, New Mexico.

27. Case No. 23484: Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 319.37-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 33, Township 16 South, Range 36 East, and Lot 1, SE/4 NE/4, E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 4, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Capitan 22301 33-4 State Com #12H well ("Well"), to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 33, Township 16 South, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 4, Township 17 South. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 3 miles south of Lovington, New Mexico.

28. Case No. 23485: Application of Devon Energy Production Company, L.P. for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico.

Applicant in the above-styled cause seeks an order (a) approving a standard 800-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W/2 of Sections 3 and 10, and the NW/4 of Section 15, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Said unit will be initially dedicated to the proposed North Blondie 3–15 Fed Com #1H and North Blondie 3–15 Fed Com #6H wells, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 15, Township 26 South, Range 34 East; North Blondie 3–15 Fed Com #8H well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SE/4 NW/4 (Unit F) of Section 15, Township 26 South, Range 34 East; North Blondie 3–15 Fed Com #9H well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SE/4 NW/4 (Unit F) of Section 15, Township 26 South, Range 34 East; and the North Blondie 3–15 Fed Com #2H well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 34, Township 25 South, Range 34 East, to a bottom hole location on the quarter-quarter line between the SW/4 NW/4 (Unit E) and the SE/4 NW/4 (Unit F) of Section 15, Township 26 South, Range 34 East. The completed interval of the North Blondie 3–15 Fed Com #8H is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC. This 800-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:

- A 160-acre, more or less, horizontal well spacing unit comprised of the E/2 W/2 of Section 3, Township 26, South, Range 34 East, dedicated to the Dean APQ Federal #2 well (API: 30-025-40089).

Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the wells, and a 200% charge for risk involved in drilling the wells. Said area is located approximately 16 miles southwest of Jal, New Mexico.

29. Case No. 23486: Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Lea County, New Mexico.

Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a standard 800-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 3 and 10, and the NE/4 of Section 15, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed North Blondie 3–15 Fed Com #3H and North Blondie 3–15 Fed Com #10H wells, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 15, Township 26 South, Range 34 East; North Blondie 3–15 Fed Com #11H well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 15, Township 26 South, Range 34 East; North Blondie 3–15 Fed Com #5H and North Blondie 3–15 Fed Com #13H wells, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15, Township 26 South, Range 34 East; and the North Blondie 3–15 Fed Com #4H well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 34, Township 25 South, Range 34 East, to a bottom hole location on the quarter-quarter line between the SW/4 NE/4 (Unit G) and the SE/4 NE/4 (Unit H) of Section 15, Township 26 South, Range 34 East. The completed interval of the North Blondie 3–15 Fed Com #11H is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the wells, and a 200% charge for risk involved in drilling the wells. Said area is located approximately 16 miles southwest of Jal, New Mexico.

30. Case No. 23487: Application of Mewbourne Oil Company for compulsory pooling and approval of a non-standard spacing and proration unit, Lea County, New Mexico. Mewbourne Oil Company seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2 of Section 2 and the NW/4NE/4, S/2NE/4, and NW/4 of Section 1, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Applicant proposes to drill the following wells to a depth sufficient to test the Bone Spring formation: (a) the Night Watch 2/1 B2DB Fed. Com. Well No. 1H, with a first take point in the NW/4NW/4 of Section 2 and a last take point in the NW/4NE/4 of Section 1; and (b) the Night Watch 2/1 B2EH Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4NW/4 of Section 2 and a last take point in the SE/4NE/4 of Section 1. The producing interval of each well will be orthodox Applicant also requests that the wells be dedicated to a non-standard spacing and proration unit in the Young; Bone Spring, North Pool. Also to be considered will be the cost of drilling, completing, testing, and equipping 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, completing, testing and equipping the wells. The well unit is located approximately 5-1/2 miles south-southeast of Maljamar, New Mexico.

31. Case No. 23488: Application of Mewbourne Oil Company for compulsory pooling, a non-standard spacing and proration unit, and approval of overlapping well units, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying an 1820.97-acre non-standard horizontal spacing unit comprised of lots 1-4, E/2W/2, and E/2 (all) of Section 31, Lots 1-4, N/2, and N/2S/2 (all) of Section 32, and Lots 1-4, N/2, and N/2S/2 (all) of Section 33, Township 18 South, Range 29 East, NMPM. The unit will be dedicated to:

(a) the Pavo Macho 31/33 B3DA Fed. Com. Well No. 2H, with a first take point in Lot 1 of Section 31 and a last take point in the NE/4NE/4 of Section 33;

(b) the Pavo Macho 31/33 B3EH Fed. Com. Well No. 2H, with a first take point in Lot 2 of Section 31 and a last take point in the SE/4NE/4 of Section 33;

(c) the Pavo Macho 31/33 B3LI Fed. Well No. 1H, with a first take point in Lot 3 of Section 31 and a last take point in the NE/4SE/4, of Section 33; and

(d) the Pavo Macho 31/33 B3MP Fed. Com. Well No. 1H, with a first take point in Lot 4 of Section 31 and a last take point in the SE/4SE/4, of Section 33.

Also to be considered will be the cost of drilling, completing, testing, and equipping 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, completing, testing, and equipping the wells. Applicant also requests approval of the proposed well unit overlapping the well units for the following wells:

Well Name	Well Unit	Operator
Pavo Macho 31/32 B2DA Fed. Com. Well No. 1H	N/2N/2 §31 & N/2N/2 §32	Applicant
Well Name	Well Unit	Operator
Pavo Macho 31/32 B2EH Fed. Com. Well No. 1H	S/2N/2 §31 & S/2N/2 §32	Applicant
Well Name	Well Unit	Operator
Pavo Macho 31 B2LI Fed. Com. Well No. 1H	N/2S/2 §31	Applicant
Well Name	Well Unit	Operator
Pavo Macho 31 BMP Fed. Com. Well No. 1H	S/2S/2 §31	Applicant
Well Name	Well Unit	Operator
Palmillo State Well No. 2	W/2SE/4 §32	Cimarex
Well Name	Well Unit	Operator
Palmillo State Com. Well No. 4	W/2SW/4 §32	Cimarex

The unit is located approximately 11 miles southwest of Loco Hills, New Mexico.

32. Case No. 23489: Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the N/2 N/2 of Sections 25 and 26, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Whitby 2526 Fed Com #121H well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 25 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 26. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, 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 the well. Said area is located approximately 4 miles northeast of Carlsbad, New Mexico.

33. Case No. 23490: Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the S/2 N/2 of Sections 25 and 26, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the

proposed Whitby 2526 Fed Com #122H well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 25 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 26. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, 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 the well. Said area is located approximately 4 miles northeast of Carlsbad, New Mexico.

34. Case No. 23491: Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico.

Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the N/2 S/2 of Sections 25 and 26, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Whitby 2526 Fed Com #123H well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 25 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 26. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, 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 the well. Said area is located approximately 4 miles northeast of Carlsbad, New Mexico.

35. Case No. 23492: Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico.

Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the S/2 S/2 of Sections 25 and 26, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Whitby 2526 Fed Com #124H well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 25 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 26. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, 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 the well. Said area is located approximately 4 miles northeast of Carlsbad, New Mexico.

36. Case No. 23493: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.

Applicant in the above-styled cause seeks an order (a) approving a standard 640-acre, more or less, overlapping horizontal well spacing unit in the Wolfcamp formation comprised of the N/2 of Section 25 and 26, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Said unit will be initially dedicated to the proposed Whitby 2526 Fed Com #201H well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 25 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 26; and the Whitby 2526 Fed Com #202H well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 25 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 26. This 640-acre horizontal well spacing unit will overlap the following existing vertical well spacing units covering portions of the subject acreage:

- 320-acre, more or less, vertical well spacing unit comprised of the W/2 of Section 25, Township 21 South, Range 27 East, dedicated to the Toothman Gas Com #1 well (API: 30-015-21566);
- 320-acre, more or less, vertical well spacing unit comprised of the E/2 of Section 26, Township 21 South, Range 27 East, dedicated to the E J Garner Com #1 well (API: 30-015-22722); and
- 40-acre, more or less, vertical well spacing unit comprised of the SE/4 NW/4 (Unit F) of Section 26, Township 21 South, Range 27 East, dedicated to the Baumgartner Federal Gas Com #2Y (API: 30-015-31971).

Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 4 miles northeast of Carlsbad, New Mexico.

37. Case No. 23494: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.

Applicant in the above-styled cause seeks an order (a) approving a standard 640-acre, more or less, overlapping horizontal well spacing unit in the Wolfcamp formation comprised of the S/2 of Section 25 and 26, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Said unit will be initially dedicated to the proposed Whitby 2526 Fed Com #203H well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 25 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 26; and the Whitby 2526 Fed Com #204H well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 25 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 26. This 640-acre horizontal well spacing unit will overlap the following existing vertical well spacing units covering portions of the subject acreage:

- 320-acre, more or less, vertical well spacing unit comprised of the W/2 of Section 25, Township 21 South, Range 27 East, dedicated to the Toothman Gas Com #1 well (API: 30-015-21566); and
- 320-acre, more or less, vertical well spacing unit comprised of the E/2 of Section 26, Township 21 South, Range 27 East, dedicated to the E J Garner Com #1 well (API: 30-015-22722).

Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 4 miles northeast of Carlsbad, New Mexico.

38. Case No. 23495: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 240-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the N/2 S/2 of Section 12 and the N/2 SE/4 of Section 11, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Said unit will be initially dedicated to the proposed Bo Howard 1211 Fed Com #113H well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 12 to a bottom hole location in the NW/4 SW/E (Unit J) of Section 11. This 240-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the N/2 S/2 of Section 11, Township 21 South, Range 27 East, dedicated to the Cedar 11 State #1H well (API: 30-015-42734) and the Cedar 11 State #2H (API: 30-015-42737).

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, 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 5 miles northeast of Carlsbad, New Mexico.

39. Case No. 23496: Application of Franklin Mountain Energy 3, LLC for Approval of Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Norte State Com 702H well, to be horizontally drilled. The producing area for the well is expected to be orthodox. 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 Franklin Mountain Energy 3, 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 Hobbs, New Mexico.

40. Case No. 23497: Application of Devon Energy Production Company, L.P., for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 477.20-acre, more or less, spacing and proration unit comprised of the W/2 NE/4, the NW/4 SE/4 and Lot 3 (SW/4 SE/4 equivalent) of Section 34, in Township 24 South, Range 31 East, NMPM; and Lot 2 (NW/4 NE/4 equivalent), SW/4 NE/4, and W/2 SE/4 of Section 3 and the W/2 E/2 of Section 10, in Township 25 South, Range 31 East, NMPM; Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in an interval within the Paduca; Bone Spring (O) pool [Pool Code (96641)], from the stratigraphic equivalent of 100 feet from below the base of the Avalon Sand, as seen at a depth of 8,358 feet, to the stratigraphic equivalent of the base of the Paduca; Bone Spring (O) formation, as seen at a depth of 11,520 feet, designated as an oil pool, underlying said unit. Sections 3 and 34 are irregular and contain correction lots. The proposed well to be dedicated to the horizontal spacing unit is the Exmoor 10-34 Fed Com 303H Well, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 10-25S-31E to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 34-24S-31E. Devon seeks approval for overlap wells within units it operates, as follows: (1) the Cotton Draw Unit 117H Well (API No. 30-015-38434) within a unit that covers the W/2 E/2 of Section 34; (2) the Cotton Draw Unit 114H Well (API No. 30-015-37410) within a unit that covers the W/2 E/2 of Section 34; (3) the Cotton Draw Unit 216Y Well (API No. 30-015-42648) within a unit that covers the W/2 E/2 of Section 3; (4) the Cotton Draw Unit 272H Well (API No. 30-015-43724) within a unit that covers the W/2 E/2 of Section 3; and (5) the Cotton Draw 10 Fed 1H Well (API No. 30-015-39229) and 3H Well (API No. 30-015-42126) both located in a unit that covers the W/2 E/2 of Section 10. Sections 3 and 34 of the proposed unit are part of the Cotton Draw Federal Unit for which Devon is the designated operator. The proposed 303H well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 35.5 miles northwest of Jal, New Mexico, and approximately 11.2 miles north of the state line.

41. Case No. 23498: Application of Chevron U.S.A. Inc. for compulsory pooling, and notice of partially overlapping unit, Lea County, New Mexico. Chevron U.S.A. Inc. seeks an order from the Division pooling all uncommitted mineral interest owners within a 320-acre Bone Spring horizontal spacing unit underlying the E/2E/2 of Sections 18 and 19, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico. The unit will be dedicated to the SD 18 19 Federal Com 425H and SD 18 19 Federal Com 426H wells, to be horizontally drilled. The completed

interval for the SD 18 19 Federal Com 425H well is expected to be less than 330 feet from the adjoining tracts. Chevron intends to submit a non-standard location application for administrative approval. 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 Chevron U.S.A Inc. as operator of the wells, a 200% charge for the risk involved in drilling and completing the wells. Said area is located approximately 25 miles west of Jal, New Mexico.

42. Case No. 23499: Application of 3R Operating, LLC for Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 SW/4 of Section 25 and the W/2 W/2 of Section 36, Township 20 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): the Morpheus 25-36 State 1BS Com #5H well and the Morpheus 25-36 State 2BS Com #1H well, to be drilled from a surface hole location in NW/4 SW/4 (Unit L) of Section 25, Township 20 South, Range 35 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 36, Township 20 South, Range 35 East. The completed intervals of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 16 miles Southwest of Hobbs, New Mexico.

43. Case No. 23500: Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.

Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Section 18, Township 19 South, Range 28 East, and the N/2 SE/4 of Section 13, Township 19 South, Range 27 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): the Red Eagle 18 State Com 123H well and Red Eagle 18 State Com 133H well, to be drilled from a surface hole location in SE/4 SE/4 (Unit P) of Section 18, Township 19 South, Range 28 East, to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 13, Township 19 South, Range 27 East. The completed intervals of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 18 miles northeast of Carlsbad, New Mexico.

44. Case No. 23501: Application of OXY USA Inc. for Closed Loop Gas Capture Injection Pilot Project, Eddy County, New Mexico.

Applicant in the above-styled cause seeks an order authorizing it to engage in a closed loop gas capture injection pilot project ("Pilot Project") in the Bone Spring formation in the, within a 2,640-acre, more or less, project area for this Pilot Project consisting of all of Sections 25, 26, 35 and 36, and the S/2 SW/4 of Section 24, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (the "Project Area"), by occasionally injecting into the following wells:

- The Corral Canyon 36-25 Fed Com 21H well (API No. 30-015-44631).
- The Corral Canyon 36-25 Fed Com 22H well (API No. 30-015-44632).
- The Corral Canyon 36-25 Fed Com 23H well (API No. 30-015-44633).
- The Corral Canyon 36-25 Fed Com 24H well (API No. 30-015-44634).
- The Corral Canyon 36-25 Fed Com 25H well (API No. 30-015-44635).
- The Corral Canyon 36-25 Fed Com 26H well (API No. 30-015-44636).
- The Corral Fly 35-26 Fed Com 21H well (API No. 30-015-44702).
- The Corral Fly 35-26 Fed Com 22H well (API No. 30-015-44703).
- The Corral Fly 35-26 Fed Com 23H well (API No. 30-015-44704).
- The Corral Fly 35-26 Fed Com 24H well (API No. 30-015-44705).
- The Corral Fly 35-26 Fed Com 25H well (API No. 30-015-44683).
- The Corral Fly 35-26 Fed Com 26H well (API No. 30-015-44684).

OXY seeks authority to utilize these producing wells to occasionally inject produced gas into the Bone Spring formation at total vertical depths of between approximately 8,879 feet to 9,197 feet along the horizontal portion of each wellbore at surface injection pressures of no more than 1,300 psi. at an average injection rate of 3 MMSCF per day and a maximum injection rate of 4 MMSCF per day. The source of the produced gas will be from the Bone Spring and Wolfcamp formations. The subject acreage is located approximately 12 miles southeast of Malaga, New Mexico.

45. Case No. 23502: Application of Colgate Operating, LLC, to Extend Time to Commence Drilling Operations, Eddy County, New Mexico.

Colgate Operating, LLC ("Applicant") seeks an order extending the deadline to commence drilling operations under Order No. R-22127 ("Order") until May 9, 2024. The Division entered the Order in Case No. 22622 on May 9, 2022. The Order: pooled all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Section 25, and the N/2 NE/4 of Section 26, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"); dedicated the Unit to the Boomerang 25 Federal Com 121H and 131H wells ("Wells"); and designated Applicant as operator of the Unit and Wells. The Order requires Applicant to commence drilling the Wells within one year of the date of the Order. Applicant requests the Division extend

the deadline to commence drilling the Wells until May 9, 2024. The Wells are located approximately 10.17 miles northeast of Carlsbad, New Mexico.

46. Case No. 23503: Application of Colgate Operating, LLC, to Extend Time to Commence Drilling Operations, Eddy County, New Mexico. Colgate Operating, LLC ("Applicant") seeks an order extending the deadline commence drilling operations under Order No. R-22128 ("Order") until May 9, 2024. The Division entered the Order in Case No. 22623 on May 9, 2022. The Order: pooled all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Section 25 and the S/2 NE/4 of Section 26, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"); dedicated the Unit to the Boomerang 25 Federal Com 122H and 132H wells ("Wells"); and designated Applicant as operator of the Unit and Wells. The Order requires Applicant to commence drilling the Wells within one year of the date of the Order. Applicant requests the Division extend the deadline to commence drilling the Wells until May 9, 2024. The Wells are located approximately 10.17 miles northeast of Carlsbad, New Mexico.

47. Case No. 23504: Application of Colgate Operating, LLC, to Extend Time to Commence Drilling Operations, Eddy County, New Mexico. Colgate Operating, LLC ("Applicant") seeks an order extending the deadline to commence drilling operations under Order No. R-22129 ("Order") until May 9, 2024. The Division entered the Order in Case No. 22624 on May 9, 2022. The Order: pooled all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Section 25 and N/2 SE/4 of Section 26, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"); dedicated the Unit to the Boomerang 25 Federal Com 123H and Boomerang 25 Federal Com 133H wells ("Wells"); and designated Applicant as operator of the Unit and Wells. The Order requires Applicant to commence drilling the Wells within one year of the date of the Order. Applicant requests the Division extend the deadline to commence drilling the Wells until May 9, 2024. The Wells are located approximately 10.17 miles northeast of Carlsbad, New Mexico.

48. Case No. 23505: Application of Colgate Operating, LLC, to Extend Time to Commence Drilling Operations, Eddy County, New Mexico. Colgate Operating, LLC ("Applicant") seeks an order extending the deadline to commence drilling operations under Order No. R-22130 ("Order") until May 9, 2024. The Division entered the Order in Case No. 22625 on May 9, 2022. The Order: pooled all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 S/2 of Section 25, and the S/2 SE/4 of Section 26, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"); dedicated the Unit to the Boomerang 25 Federal Com 134H well ("Well"); and designated Applicant as operator of the Unit and Well. The Order requires Applicant to commence drilling the Well within one year of the date of the Order. Applicant requests the Division extend the deadline to commence drilling the Well until May 9, 2024. The Well is located approximately 10.17 miles northeast of Carlsbad, New Mexico.

49. Case No. 23506: Application of Petrogulf Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying E/2 of Section 34, all of Section 35 and W/2 of Section 36, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Gambino Federal Com 1H, Gambino Federal Com 2H, Gambino Federal Com 3H, Gambino Federal Com 4H and Gambino Federal Com 5H wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the Gambino Federal Com 5H well is less than 330' from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit for the wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Petrogulf as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately ¼ mile west and within Carlsbad, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this Wednesday, April 5, 2023

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

**Dylan M. Fuge
Acting Director, Oil Conservation Division**