

AMENDED NOTICE OF HEARINGS

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

NOTICE IS HEREBY GIVEN that on **Thursday, October 10, 2024** beginning at **8:30 a.m.**, the Oil Conservation Division (“OCD”) of the New Mexico Energy, Minerals and Natural Resources Department will hold public hearings, pursuant to 19.5.4 NMAC for the purpose of considering new applications listed in this notice. All interested persons are invited to appear. The hearings will be held before a hearing examiner and will be conducted in a hybrid fashion, both in-person and via MS Teams virtual meeting platform. To attend:

Location:

Energy, Minerals and Natural Resources Department
Wendell Chino Building – Pecos Hall
1220 South St. Francis Drive, 1st Floor
Santa Fe, NM 87505

-or-

MS Teams Link:

Click [HERE](#) to join the meeting.

Dial-In:

(505) 312-4308

Phone conference ID: 828 000 881#

If you choose to attend remotely, please mute yourself upon entry.

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

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

Presenting parties are required to submit a pre-hearing statement no later than the Thursday before the hearing. The pre-hearing statement shall include: 1) a list of disputed facts and issues; 2) identification of witnesses and their qualifications; and 3) all exhibits and written testimony a party intends to enter into evidence at the hearing and a full narrative for each.

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 Freya.Tschantz@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than 10 days prior to the hearing.

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

1. Case No. 24860: Application of PBEX, LLC 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 640-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the N2 of Sections 35 and 36, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico, and (b) pooling the uncommitted mineral owners in this proposed spacing unit. Said unit will be initially dedicated to the following proposed wells:

- The Silver Slug 35-36 Fed Com 101H, Silver Slug 35-36 Fed Com 102H, Silver Slug 35-36 Fed Com 201H and Silver Slug 35-36 Fed Com 203H to be drilled from a surface location in the NE4 of Section 36, with first take points in the NE4NE4 (Unit A) of Section 36 and last take points in the NW4NW4 (Unit D) of Section 35; and
- Silver Slug 35-36 Fed Com 103H and Silver Slug 35-36 Fed Com 205H to be drilled from a surface location in the NE4

of Section 36, with first take points in the SE4NE4 (Unit H) of Section 36 and last take points in the SW4NW4 (Unit E) of Section 35. The completed intervals of the Silver Slug 35-36 Fed Com 102H and 202H wells are expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of that acreage into a standard horizontal well spacing unit. This proposed horizontal well spacing unit will overlap an existing 160-acre horizontal well spacing unit in the Bone Spring formation underlying the N2N2 of Section 36 dedicated to the Lone Wolf 36 B2DM State Com 1H well (API 30-025-42695) operated by Mewbourne Oil Company and assigned to the Querecho Plains Lower Bone Spring Pool (50510). 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 E.G.L. Resources, Inc. as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 10 miles south of Maljamar, New Mexico. [CONTINUANCE PENDING; TO BE SET FOR CONTESTED HEARING ON 10/31/24]

2. Case No. 24850: Amended Application of Tap Rock Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 1920 acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of all of Sections 2, 3 and 4, Township 25 South, Range 25 East NMPM, Eddy County, New Mexico initially dedicated to the proposed Beer 30 Fed Com #202H, Beer 30 Fed Com #204H, Beer 30 Fed Com #211H, and the Beer 30 Fed Com #213H wells to be horizontally drilled as follows:

- Beer 30 Fed Com #202H, which will be drilled from a surface hole location the SE/4 NE/4 of Section 2, Township 25 South, Range 25 East (Unit A) to a bottom hole located 5 Feet from the West Line in Section 4 and 1,650 Feet from the North Line in Section 4 (Unit E) Township 25 South, Range 25 East.
- Beer 30 Fed Com #204H, which will be drilled from a surface hole location the SE/4 SE/4 of Section 2, Township 25 South, Range 25 East (Unit P) to a bottom hole located 5 Feet from the West Line in Section 4 and 990 Feet from the South Line in Section 4 (Unit M) Township 25 South, Range 25 East.
- Beer 30 Fed Com #211H, which will be drilled from a surface hole location the SE/4 NE/4 of Section 2, Township 25 South, Range 25 East (Unit A) to a bottom hole located 5 Feet from the West Line in Section 4 and 330 Feet from the North Line in Section 4 (Unit D) Township 25 South, Range 25 East.
- Beer 30 Fed Com #213H, which will be drilled from a surface hole location the SE/4 SE/4 of Section 2, Township 25 South, Range 25 East (Unit P) to a bottom hole located 5 Feet from the West Line in Section 4 and 2,360 Feet from the North Line in Section 4 (Unit L) Township 25 South, Range 25 East.

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 Tap Rock Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 1.5 miles east of Whites City, New Mexico.

3. Case No. 24851: Application of BTA Oil Producers, LLC to Extend Time to Commence Drilling Operations, Lea County, New Mexico. BTA Oil Producers, LLC ("Applicant") seeks an order extending the deadline to commence drilling the well authorized by Order No. R-22852 ("Order") until September 11, 2025. The Division issued the Order in Case No. 23662 on September 11, 2023. The Order: pooled 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 Sections 21 and 28, Township 16 South, Range 36 East, Lea County, New Mexico ("Unit"); dedicated the Unit to the Capitan 22301 28-21 State Com #17H well ("Well"); and designated Applicant as operator of the Unit and the Well. The Order requires Applicant to commence drilling the Well within one year of the date of the Order. Applicant requests that the Division extend the deadline to commence drilling the Well until September 11, 2025. The Well is located approximately 3 miles south of Lovington, New Mexico.

4. Case No. 24852: Application of BTA Oil Producers, LLC to Extend Time to Commence Drilling Operations, Lea County, New Mexico. BTA Oil Producers, LLC ("Applicant") seeks an order extending the deadline to commence drilling the well authorized by Order No. R-22853 ("Order") until September 11, 2025. The Division issued the Order in Case No. 23663 on September 11, 2023. The Order: pooled 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 Sections 21 and 28, Township 16 South, Range 36 East, Lea County, New Mexico ("Unit"); dedicated the Unit to the Capitan 22301 28-21 State Com #18H well ("Well"); and designated Applicant as operator of the Unit and the Well. The Order requires Applicant to commence drilling the Well within one year of the date of the Order. Applicant requests that the Division extend the deadline to commence drilling the Well until September 11, 2025. The Well is located approximately 3 miles south of Lovington, New Mexico.

5. Case No. 24853: Application of BTA Oil Producers, LLC to Extend Time to Commence Drilling Operations, Lea County, New Mexico. BTA Oil Producers, LLC (“Applicant”) seeks an order extending the deadline to commence drilling the well authorized by Order No. R-22909 (“Order”) until October 6, 2025. The Division issued the Order in Case No. 23664 on October 6, 2023. The Order: pooled 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 Sections 22 and 27, Township 16 South, Range 36 East, Lea County, New Mexico (“Unit”); dedicated the Unit to the Capitan 22301 27-22 State Com #19H well (“Well”); and designated Applicant as operator of the Unit and the Well. The Order requires Applicant to commence drilling the Well within one year of the date of the Order. Applicant requests that the Division extend the deadline to commence drilling the Well until October 6, 2025. The Well is located approximately 3 miles south of Lovington, New Mexico.

6. Case No. 24854: 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 SE/4 of Section 19, the W/2 E/2 of Section 30 and the W/2 NE/4 of Section 31, Township 17 South, Range 36 East, Lea County, New Mexico (“Unit”). The Unit will be dedicated to the Manila 8408 19-30-31 State Com #4H well (“Well”), which will be drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 19 to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 31. The completed intervals 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 the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 8 miles south of Lovington, New Mexico.

7. Case No. 24855: Application of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Unit, Lea County, New Mexico. Permian Resources Operating, LLC (“Applicant”) (OGRID No. 372165) applies for an order (1) establishing a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the E/2 W/2 of Sections 23 and 26, Township 22 South, Range 34 East, Lea County, New Mexico (“Unit”); and (2) pooling all uncommitted interests in the First Bone Spring interval of the Bone Spring formation underlying the Unit. The Unit will be dedicated to the Tour Bus 23-26 Federal Com 302H well (“Well”), which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 23 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 26. The completed interval of the Well will be orthodox. The Unit will partially overlap with the spacing unit for the Ring Neck 8817 26 Federal #003H (API No. 30-025-52613), which is located in the E/2 W/2 of Section 26, Township 22 South, Range 34 East, Lea County, and produces from the Ojo Chiso; Bone Spring pool (Code 96553). Due to a depth severance in the Unit, Applicant seeks to pool uncommitted interests from the top of the First Bone Spring interval at a stratigraphic equivalent of approximately 9,674’ TVD to the base of the First Bone Spring interval at a stratigraphic equivalent of approximately 9,867’ TVD as shown on the Ojo Chiso Federal #003 (API # 30-025-30733) well log. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, 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 17 miles southwest of Eunice, New Mexico.

8. Case No. 24856: Application of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Unit, Lea County, New Mexico. Permian Resources Operating, LLC (“Applicant”) (OGRID No. 372165) applies for an order (1) establishing a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the W/2 E/2 of Sections 23 and 26, Township 22 South, Range 34 East, Lea County, New Mexico (“Unit”); and (2) pooling all uncommitted interests in the First Bone Spring interval of the Bone Spring formation underlying the Unit. The Unit will be dedicated to the Tour Bus 23-26 Federal Com 303H well (“Well”), which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 23 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 26. The completed interval of the Well will be orthodox. The Unit will partially overlap with the spacing unit for the Ring Neck 8817 26 Federal #004H (API No. 30-025-52614), which is located in the W/2 E/2 of Section 26, Township 22 South, Range 34 East, Lea County, and produces from the Ojo Chiso; Bone Spring pool (Code 96553). Due to a depth severance in the Unit, Applicant seeks to pool uncommitted interests from the top of the First Bone Spring interval at a stratigraphic equivalent of approximately 9,674’ TVD to the base of the First Bone Spring interval at a stratigraphic equivalent of approximately 9,867’ TVD as shown on the Ojo Chiso Federal #003 (API # 30-025-30733) well log. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, 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 17 miles southwest of Eunice, New Mexico.

9. Case No. 24857: Application of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Unit, Lea County, New Mexico. Permian Resources Operating, LLC (“Applicant”) (OGRID No. 372165)

applies for an order (1) establishing a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the E/2 E/2 of Sections 23 and 26, Township 22 South, Range 34 East, Lea County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the First Bone Spring interval of the Bone Spring formation underlying the Unit. The Unit will be dedicated to the Tour Bus 23-26 Federal Com 304H well ("Well"), which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 23 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 26. The completed interval of the Well will be orthodox. The Unit will partially overlap with the spacing unit for the Ring Neck 8817 26 Federal #005H (API No. 30-025-52615), which is located in the E/2 E/2 of Section 26, Township 22 South, Range 34 East, Lea County, and produces from the Ojo Chiso; Bone Spring pool (Code 96553). Due to a depth severance within the Unit, Applicant seeks to pool uncommitted interests from the top of the First Bone Spring interval at a stratigraphic equivalent of approximately 9,674' TVD to the base of the First Bone Spring interval at a stratigraphic equivalent of approximately 9,867' TVD as shown on the Ojo Chiso Federal #003 (API # 30-025-30733) well log. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, 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 17 miles southwest of Eunice, New Mexico.

10. Case No. 24858: Application of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Unit, Lea County, New Mexico. Permian Resources Operating, LLC ("Applicant") (OGRID No. 372165) applies for an order (1) establishing a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the E/2 W/2 of Sections 23 and 26, Township 22 South, Range 34 East, Lea County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying the Unit. The Unit will be dedicated to the Tour Bus 23-26 Federal Com 602H well ("Well"), which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 23 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 26. The completed interval of the Well will be orthodox. The Unit will partially overlap with the spacing unit for the Ring Neck 8817 26 Federal #003H (API No. 30-025-52613), which is located in the E/2 W/2 of Section 26, Township 22 South, Range 34 East, Lea County, and produces from the Ojo Chiso; Bone Spring pool (Code 96553). Due to a depth severance in the Unit, Applicant seeks to pool uncommitted interests from the top of the Third Bone Spring interval at a stratigraphic equivalent of approximately 10,983' TVD to the base of the Third Bone Spring interval at a stratigraphic equivalent of approximately 11,336' TVD as shown on the Ojo Chiso Federal #3 (API # 30-025-30733) well log. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, 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 17 miles southwest of Eunice, New Mexico.

11. Case No. 24859: Application of Franklin Mountain Energy 3, LLC for compulsory pooling, and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Sections 23 and 26, and the NE/4 NE/4 of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. Franklin seeks to dedicate the spacing unit to the Gold State Com 304H, Gold State Com 504H, and Gold State Com 604H wells to be horizontally drilled from a proposed surface hole location in the NE/4 NE/4 (Unit A) of Section 35, to a proposed bottom hole location in the NE/4 NE/4 (Unit A) of Section 23. The producing area for the wells is expected to be orthodox. This proposed horizontal spacing unit will partially overlap with the following existing spacing units: a 160-acre horizontal spacing unit comprised of the E/2 E/2 of Section 23 dedicated to Matador Production Company's Kingfisher State Com #001H well (API 30-025-41835); a 160-acre horizontal spacing unit comprised of the S/2 N/2 of Section 26 dedicated to Franklin Mountain Energy 3, LLC's Magpie State #001H well (API 30-025-40426); and a 320-acre horizontal spacing unit comprised of the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2 (the equivalent of the W/2E/2 of Section 2), Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, dedicate to Franklin Mountain Energy 3, LLC's Parallel State Com 304H (API 30-025-52530) and Parallel State Com 504H (API 30-025-52534) 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 Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

12. Case No. 24861: Application of Franklin Mountain Energy 3, LLC for compulsory pooling, and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Sections 23 and 26, and the NW/4 NE/4 of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. Franklin seeks to dedicate the spacing unit to the following wells: the Gold State Com 303H and Gold State Com

603H wells to be horizontally drilled from a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 35, to a proposed bottom hole location in the NW/4 NE/4 (Unit B) of Section 23; and the Gold State Com 503H well to be horizontally drilled from a proposed surface hole location in the NE/4 NE/4 (Unit A) of Section 35, to a proposed bottom hole location in the NW/4 NE/4 (Unit B) of Section 23. The producing area for the wells is expected to be orthodox. This proposed horizontal spacing unit will partially overlap with the following existing spacing units: a 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 23 dedicated to Matador Production Company's Kingfisher State Com #002H well (API 30-025-41836); a 160-acre horizontal spacing unit comprised of the S/2 N/2 of Section 26 dedicated to Franklin Mountain Energy 3, LLC's Magpie State #001H well (API 30-025-40426), and a 320-acre horizontal spacing unit comprised of the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2 (the equivalent of the W/2E/2 of Section 2), Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, dedicate to Franklin Mountain Energy 3, LLC's Parallel State Com 303H (API 30-025-52529) and Parallel State Com 503H (API 30-025-52533) 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 Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

13. Case No. 24862: Application of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Unit, Lea County, New Mexico. Permian Resources Operating, LLC ("Applicant") (OGRID No. 372165) applies for an order (1) establishing a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the W/2 E/2 of Sections 23 and 26, Township 22 South, Range 34 East, Lea County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying the Unit. The Unit will be dedicated to the Tour Bus 23-26 Federal Com 603H well ("Well"), which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 23 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 26. The completed interval of the Well will be orthodox. The Unit will partially overlap with the spacing unit for the Ring Neck 8817 26 Federal #004H (API No. 30-025-52614), which is located in the W/2 E/2 of Section 26, Township 22 South, Range 34 East, Lea County, and produces from the Ojo Chiso; Bone Spring pool (Code 96553). Due to a depth severance in the Unit, Applicant seeks to pool uncommitted interests from the top of the Third Bone Spring interval at a stratigraphic equivalent of approximately 10,983' TVD to the base of the Third Bone Spring interval at a stratigraphic equivalent of approximately 11,336' TVD as shown on the Ojo Chiso Federal #3 (API # 30-025-30733) well log. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, 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 17 miles southwest of Eunice, New Mexico.

14. Case No. 24863: Application of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Unit, Lea County, New Mexico. Permian Resources Operating, LLC ("Applicant") (OGRID No. 372165) applies for an order (1) establishing a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the E/2 E/2 of Sections 23 and 26, Township 22 South, Range 34 East, Lea County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying the Unit. The Unit will be dedicated to the Tour Bus 23-26 Federal Com 604H well ("Well"), which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 23 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 26. The completed interval of the Well will be orthodox. The Unit will partially overlap with the spacing unit for the Ring Neck 8817 26 Federal #005H (API No. 30-025-52615), which is located in the E/2 E/2 of Section 26, Township 22 South, Range 34 East, Lea County, and produces from the Ojo Chiso; Bone Spring pool (Code 96553). Due to a depth severance in the Unit, Applicant seeks to pool uncommitted interests from the top of the Third Bone Spring interval at a stratigraphic equivalent of approximately 10,983' TVD to the base of the Third Bone Spring interval at a stratigraphic equivalent of approximately 11,336' TVD as shown on the Ojo Chiso Federal #3 (API # 30-025-30733) well log. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, 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 17 miles southwest of Eunice, New Mexico.

15. Case No. 24864: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation comprised of the W2E2 of Sections 11 and 14, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Monika 133H well, to be horizontally drilled from a surface location in the SE4 of Section 14, with a first take point in the SW4SE4 (Unit O) of Section 14 and a last take point in the NW4NE4 (Unit B) of Section 11. 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 proposed spacing unit, and a 200% charge

for risk involved in drilling the proposed well. The subject area is located approximately 5.5 miles west of Knowles, New Mexico.

16. Case No. 24865: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico.

Applicant in the above-styled cause seeks an order pooling all uncommitted interests in a standard 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the E2 of Sections 11 and 14, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Monika 203H well, to be horizontally drilled from a surface location in the SE4 of Section 14, with a first take point in the SE4SE4 (Unit P) of Section 14 and a last take point in the NE4NE4 (Unit A) of Section 11. The location of the proposed well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of this acreage in the proposed horizontal well spacing unit. 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 proposed spacing unit, and a 200% charge for risk involved in drilling the proposed well. The subject area is located approximately 5.5 miles west of Knowles, New Mexico.

17. Case No. 24867: Application of Matador Production Company to Extend the Drilling Deadline Under Order R-22396, Lea County, New Mexico.

Applicant in the above-styled cause seeks an extension of time to drill the initial well under pooling Order No. R-22396. This Order pooled the Bone Spring formation underlying a standard 320-acre horizontal well spacing unit comprised of the E2SE4 of Section 18, the E2E2 of Section 19, and the E2NE4 of Section 30, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Matador is the designated operator under the pooling order and the pooled spacing unit is initially dedicated to the proposed Huneke Fed Com 138H well. Said area is located 13 miles southeast of Malaga, New Mexico.

18. Case No. 24868: Application of Matador Production Company to Extend the Drilling Deadline Under Order R-22397, Lea County, New Mexico.

Applicant in the above-styled cause seeks an extension of time to drill the initial well under pooling Order No. R-22397. This Order pooled the Wolfcamp formation underlying a standard 320-acre horizontal well spacing unit comprised of the W2SE4 of Section 18, the W2E2 of Section 19, and the W2NE4 of Section 30, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Matador is the designated operator under the pooling order and the pooled spacing unit is initially dedicated to the proposed Huneke Fed Com 213H well. Said area is located 13 miles southeast of Malaga, New Mexico.

19. Case No. 24869: Application of Matador Production Company to Extend the Drilling Deadline Under Order R-22398, Lea County, New Mexico.

Applicant in the above-styled cause seeks an extension of time to drill the initial well under pooling Order No. R-22398. This Order pooled the Wolfcamp formation underlying a standard 320-acre horizontal well spacing unit comprised of the E2SE4 of Section 18, the E2E2 of Section 19, and the E2NE4 of Section 30, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Matador is the designated operator under the pooling order and the pooled spacing unit is initially dedicated to the proposed Huneke Fed Com 214H well. Said area is located 13 miles southeast of Malaga, New Mexico.

20. Case No. 24870: Application of Steward Energy II, LLC to Extend Time to Commence Drilling Operations, Lea County, New Mexico.

Steward Energy II, LLC ("Applicant") seeks an order extending the deadline to commence drilling the well authorized by Order No. R-22915 ("Order") until October 20, 2025. The Division issued the Order in Case No. 23578 on October 20, 2023. The Order: pooled all uncommitted interests in the San Andres formation, underlying a 265.00-acre, more or less, standard horizontal spacing unit comprised of the E/2 of irregular Section 11, Township 13 South, Range 38 East, Lea County, New Mexico ("Unit"); dedicated the Unit to the Gale Federal 2H well ("Well"); and designated Applicant as operator of the Unit and the Well. The Order requires Applicant to commence drilling the Well within one year of the date of the Order. Applicant requests that the Division extend the deadline to commence drilling the Well until October 20, 2025. The Well is located approximately 14.8 miles southeast of Tatum, New Mexico.

21. Case No. 24871: (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-22673, Eddy County, New Mexico

for the Limited Purpose of Adding Additional Pooled Parties. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-22673 to pool additional parties under Order No. R-22673. The Order pooled uncommitted interest owners in a standard 1,920-acre, more or less, Wolfcamp horizontal spacing unit underlying Sections 32, 33, and 34, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. Said area is located approximately 3 ½ miles North of Loving, New Mexico.

22. Case No. 24872: Application of Avant Operating, LLC for approval of a non-standard spacing unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 1262.72-acre, more or less, Wolfcamp horizontal spacing unit comprised of Sections 30 and 31, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Speedmaster 30 Fed Com #006H well with a proposed surface hole location in the NE/4 NW/4 (Unit C) of Section 30 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 31; Speedmaster 30 Fed Com #007H well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 30 and a proposed bottom hole location in the SW/4 SW/4 (Unit M) of Section 31; Speedmaster 30 Fed Com #008H well with a proposed surface hole location in the NE/4 NE/4 (Unit A) of Section 30 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 31; and Speedmaster 30 Fed Com #009H well with a proposed surface hole location in the NE/4 NE/4 (Unit A) of Section 30 and a proposed bottom hole location in the SE/4 SE/4 (Unit P) of Section 31. The wells will be drilled at orthodox locations. 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 Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 23 miles west of Hobbs, New Mexico.

23. Case No. 24873: Application of Avant Operating, LLC for approval of a non-standard spacing unit, compulsory pooling, and, to the extent necessary, approval of an overlapping spacing unit Lea County, New Mexico. Applicant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 1262.72-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 30 and 31, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Avant also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the following wells: the Speedmaster 30 Fed Com #501H well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 30 and a proposed bottom hole location in the SW/4 SW/4 (Unit M) of Section 31; Speedmaster 30 Fed Com #301H and Speedmaster 30 Fed Com #601H wells with proposed first take points in the NW/4 NW/4 (Unit D) of Section 30 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 31; Speedmaster 30 Fed Com #502H well with a proposed surface hole location in the NE/4 NW/4 (Unit C) of Section 30 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 31; Speedmaster 30 Fed Com #302H and Speedmaster 30 Fed Com #602H wells with proposed first take points in the NW/4 NE/4 (Unit B) of Section 30 and proposed last take points in the SW/4 SE/4 (Unit O) of Section 31; Speedmaster 30 Fed Com #303H well with a proposed surface hole location in the NE/4 NE/4 (Unit A) of Section 30 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 31; and Speedmaster 30 Fed Com #304H, Speedmaster 30 Fed Com #603H, and Speedmaster 30 Fed Com #604H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 30 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 31. The wells will be drilled at orthodox locations. This proposed horizontal spacing unit will partially overlap with the following spacing units:

- A 160-acre Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Section 30, Township 18 South, Range 34 East, dedicated to Prima Exploration, Inc.'s EK 30 BS2 Federal Com #001H well (API 30-025-42701);
- A 160-acre Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Section 31, Township 18 South, Range 34 East, dedicated to Prima Exploration, Inc.'s EK 31 BS2 Federal Com #001H well (API 30-025-43884);
- An 80-acre Bone Spring vertical spacing unit comprised of the W/2 SE/4 of Section 30, Township 18 South, Range 34 East, dedicated to Kaiser-Francis Oil Co.'s McElvain Federal #001H well (API 30-025-24757);
- An 80-acre Bone Spring vertical spacing unit comprised of the W/2 SW/4 of Section 31, Township 18 South, Range 34 East, dedicated to Prima Exploration, Inc.'s McElvain Federal #010H well (API 30-025-39520);
- A 160-acre Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Section 30, Township 18 South, Range 34 East, dedicated to Prima Exploration, Inc.'s EK 30 BS2 Federal Com #002H well (API 30-025-43883); and
- An 80-acre Bone Spring vertical spacing unit comprised of the N/2 SE/4 of Section 31, Township 18 South, Range 34 East, dedicated to Earthstone Operating, LLC's Wapiti 31 Federal #001H well (API 30-025-35841).

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 Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 23 miles west of Hobbs, New Mexico.

24. Case No. 24874: Application of Avant Operating, LLC for compulsory pooling, and, to the extent necessary, approval of an overlapping spacing unit Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a standard 640-acre, more or less, Bone Spring horizontal spacing unit comprising the N/2 of Sections 14 and 15, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This

spacing unit will be dedicated to the Shinnery Oak 15 Fed Com #301H, Shinnery Oak 15 Fed Com #302H, Shinnery Oak 15 Fed Com #501H, Shinnery Oak 15 Fed Com #502H, Shinnery Oak 15 Fed Com #601H and Shinnery Oak 15 Fed Com #602H wells with proposed surface hole locations in the SW/4NW/4 (Unit E) of Section 15 and proposed last take points in the NE/4NE/4 (Unit A) of Section 14; and Shinnery Oak 15 Fed Com #303H, Shinnery Oak 15 Fed Com #503H, and Shinnery Oak 15 Fed Com #603H wells with proposed surface hole locations in the SW/4NW/4 (Unit E) of Section 15 and proposed last take points in the SE/4NE/4 (Unit H) of Section 14. The wells will be drilled at orthodox locations. Avant also seeks, to the extent necessary, approval of an overlapping spacing unit. This proposed horizontal spacing unit will partially overlap with the following spacing units:

- A 160-acre Bone Spring horizontal spacing unit comprised of the N/2N/2 of Section 14, Township 18 South, Range 32 East, dedicated to RAYBAW Operating, LLC's Shinnery 14 Federal #010H well (API 30-025-40072);
 - A 160-acre Bone Spring horizontal spacing unit comprised of the N/2N/2 of Section 15, Township 18 South, Range 32 East, dedicated to RAYBAW Operating, LLC's West Shinnery 15 Federal #002H well (API 30-025-39956); and
 - A 160-acre Bone Spring horizontal spacing unit comprised of the N/2S/2 of Section 15, Township 18 South, Range 32 East, dedicated to Cimarex Energy Co. of Colorado's West Shinnery 15 Federal #003H well (API 30-025-40066).
- The completed intervals for the Shinnery Oak 15 Fed Com #302H, Shinnery Oak 15 Fed Com #502H, Shinnery Oak 15 Fed Com #602H wells are expected to be less than 330 feet from the adjoining tracts, thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit.

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 Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 7 miles south of Maljamar, New Mexico.

25. Cases 24721 and 2736: Joint Amended Application of Pride Energy Company and Cimarex Energy Co. for the Creation of a Special Pool, a Wolfbone Pool, in parts of Sections 12 and 13, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, Pursuant to Order No. R-23132 and to Re-open Case Nos. 22853 and 23295.

Applicants in the above-styled cause seeks an order from the Division creating a special pool, the Scharb; Wolfbone Pool, an oil pool, pursuant to Order No. R-23132, within the W/2 W/2 of Sections 12 and 13, in Township 19 South, Range 34 East, NMPM, Lea County, New Mexico ("Subject Lands"). Applicants propose that Division's statewide rules apply to spacing units and well locations within the Scharb; Wolfbone Pool. The vertical extent of the proposed Scharb; Wolfbone Pool will be the stratigraphic equivalent of the top of the Third Bone Spring Sand, located at approximately 10,775 feet measured depth, to the stratigraphic equivalent of the base of the Wolfcamp A shale, located at approximately 11,306 feet measured depth, as found in the compensated neutron density log of the Super Cobra State Com. Well No. 1H (API No. 30-025-41987), which has a surface location 190 feet FSL and 660 feet FEL of Section 13, Township 19 South, Range 34 East N.M.P.M. Applicants will seek an order from the Division for the vertical extent by requesting the contraction of the Scharb; Bone Spring Pool (Pool Code 55610) in a manner that avoids overlap with the proposed Scharb; Wolfbone Pool. The base of the Scharb; Bone Spring (Code 55610) should be contracted to approximately 10,775 feet, a depth equivalent to the top of the Third Bone Spring Sand, and since currently a Wolfcamp pool has not been assigned to the Subject Lands, the base of the Scharb; Wolfbone Pool should be located at approximately 11,306 feet, which is the base of the Wolfcamp A shale, as found in the compensated well log of the Super Cobra State Com. Well No. 1H (API No. 30-025-41987). Also to be considered will be the re-opening of the record for Case Nos. 22853 and 23295. The Subject Lands are located approximately 27 miles southwest of Hobbs, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this Wednesday, September 18, 2024

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

**Gerasimos Razatos
Acting Director, Oil Conservation Division**