

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

**APPLICATION OF LEGACY RESERVES OPERATING, LP
FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Legacy Reserves Operating, LP (“Applicant”) (OGRID No. 240974), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interest in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of the W/2 of Section 31, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico, and the W/2 of Section 6, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico. In support of its application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant proposes to initially dedicate the above-referenced spacing unit to the proposed **Emerald Federal Com #401H well, Emerald Federal Com #402H well, Emerald Federal Com #501H well, Emerald Federal Com #502H well, and Emerald Federal Com #503H well**, all to be horizontally drilled from surface locations in the SW/4 of Section 6, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico, to bottom hole locations in the NW/4 of Section 31, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject spacing unit.

4. The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 1, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;
- B. Designating Applicant operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: _____

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Paula M. Vance
Post Office Box 2208
Santa Fe, NM 87504
505-998-4421
505-983-6043 Facsimile
mfeldewert@hollandhart.com
arankin@hollandhart.com
jbroggi@hollandhart.com
pmvance@hollandhart.com

**ATTORNEYS FOR LEGACY RESERVES OPERATING,
LP**