

	A	B
1	COMPULSORY POOLING	
2	ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
3	Case: 24772	APPLICANT'S RESPONSE
4	Date	October 10, 2024
5	Applicant	Flat Creek Resources, LLC, obo FE Permian Operating I, LLC
6	Designated Operator & OGRID (affiliation if applicable)	Flat Creek Resources, LLC (374034)
7	Applicant's Counsel:	Sharon Shaheen (Spencer Fane LLP)
8	Case Title:	Amended Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico
9	Entries of Appearance/Intervenors:	Coterra Energy, Inc., and subsidiaries, including Cimarex Energy Co. and Magnum Hunter Production, Inc. (Abadie & Schill); Marathon Oil Permian, LLC (Modrall Sperling); Civitas Permian Operating, LLC (Ocean Munds-Dry, Michael Rodriguez)
10	Well Family	Jurnegan
11	Formation/Pool	
12	Formation Name(s) or Vertical Extent:	Wolfcamp
13	Primary Product (Oil or Gas):	Gas
14	Pooling this vertical extent:	Wolfcamp
15	Pool Name and Pool Code (Only if NSP is requested):	
16	Well Location Setback Rules (Only if NSP is Requested):	
17	Spacing Unit	
18	Type (Horizontal/Vertical)	Horizontal
19	Size (Acres)	640 acres
20	Building Blocks:	160-acre tracts
21	Orientation:	West to East
22	Description: TRS/County	N/2 of Sections 22 and 23, T24S, R26E, in Eddy County, New Mexico
23	Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
24	Other Situations	
25	Depth Severance: Y/N. If yes, description	No
26	Proximity Tracts: If yes, description	No
27	Proximity Defining Well: if yes, description	n/a
28	Applicant's Ownership in Each Tract	Tract 1: 0%; Tract 2: 0%; Tract 3: 50%; Tract 4: 0%; Tract 5: 0%

	A	B
29	Well(s)	
30	Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
31	Well #1	Jurnegan WC Fed Com #1H well, SHL: ~965’ FNL and 560’ FWL of Section 22, T24S-R26E; BHL: ~391’ FNL and 15’ FEL of Section 23, T24S-R26E
32	Well #2	Jurnegan WC Fed Com #2H well, SHL: ~995' FNL and 560' FWL of Section 22, T24S-R26E; BHL: ~1821’ FNL and 15’ FEL of Section 23, T24S-R26E
33	Well #1 First and Last Take Points	FTP: ~390’ FNL and 330’ FWL of Section 22, T24S-R26E. LTP: ~390’ FNL and 330’ FEL of Section 23, T24S-R26E
34	Well #2 First and Last Take points	FTP: ~1820’ FNL and 330’ FWL of Section 22, T24S-R26E. LTP: ~1820’ FNL and 330’ FEL of Section 23, T24S-R26E
35	Completion Target (Formation, TVD and MD)	Wolfcamp--Well #1 (TVD: 8,780’; MD: 18,966’); Well #2 (TVD: 8,773'; MD: 18,959')
36	AFE Capex and Operating Costs	
37	Drilling Supervision/Month \$	\$8000, see Exhibit A ¶ 24
38	Production Supervision/Month \$	\$800, see Exhibit A ¶ 24
39	Justification for Supervision Costs	See AFE attached to Exhibit A-4
40	Requested Risk Charge	200%, see Exhibit A ¶ 25
41	Notice of Hearing	
42	Proposed Notice of Hearing	Provided with filing of application
43	Proof of Mailed Notice of Hearing (20 days before hearing)	See Exhibit C, C-1, & C-2
44	Proof of Published Notice of Hearing (10 days before hearing)	See Exhibit C-3
45	Ownership Determination	
46	Land Ownership Schematic of the Spacing Unit	See Exhibit A-2
47	Tract List (including lease numbers and owners)	Exhibit A-2 and A-3
48	If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	n/a
49	Pooled Parties (including ownership type)	Exhibit A-3
50	Unlocatable Parties to be Pooled	See Exhibit C-2
51	Ownership Depth Severance (including percentage above & below)	n/a
52	Joinder	
53	Sample Copy of Proposal Letter	Exhibit A-4
54	List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
55	Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
56	Overhead Rates In Proposal Letter	Exhibit A-4
57	Cost Estimate to Drill and Complete	See AFE attached to Exhibit A-4
58	Cost Estimate to Equip Well	See AFE attached to Exhibit A-4
59	Cost Estimate for Production Facilities	n/a

	A	B
60	Geology	
61	Summary (including special considerations)	See Exhibit B ¶ 14
62	Spacing Unit Schematic	See Exhibits A-2, B-2A
63	Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
64	Well Orientation (with rationale)	Exhibit B ¶ 15
65	Target Formation	Exhibits B-3A and B-4
66	HSU Cross Section	Exhibit B-5
67	Depth Severance Discussion	n/a
68	Forms, Figures and Tables	
69	C-102	Exhibit A-1
70	Tracts	Exhibit A-2
71	Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-2 and A-3
72	General Location Map (including basin)	Exhibit B-1
73	Well Bore Location Map	Exhibit B-2A
74	Structure Contour Map - Subsea Depth	Exhibit B-2A
75	Cross Section Location Map (including wells)	Exhibit B-2A
76	Cross Section (including Landing Zone)	Exhibit B-3A
77	Additional Information	
78	Special Provisions/Stipulations	
79	CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
80	Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
81	Signed Name (Attorney or Party Representative):	/s/ Sharon T. Shaheen
82	Date:	10/3/2024, amended 5/1/2025

From: [Shaheen, Sharon](#)
To: [McClure, Dean, EMNRD](#)
Cc: [Darin Savage](#); [Ocean Munds-Dry](#); [Deana M. Bennett](#); [Dana Hardy](#); [Lowe, Leonard, EMNRD](#); [Tschantz, Freya, EMNRD](#); [Corral, Madai, EMNRD](#)
Subject: RE: [EXTERNAL] RE: cases 24732-35 and 24772
Date: Friday, May 2, 2025 8:29:08 AM
Attachments: [24772- Amended Checklist Jurnegan WC\(2785846.5\).pdf](#)

Mr. McClure,

Please see attached Compulsory Pooling Amended Checklist for Case No. 24772. Please let me know if you have any questions or need anything else.

Thanks,
Sharon

Sharon Shaheen Partner
Spencer Fane LLP

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From: Shaheen, Sharon
Sent: Wednesday, April 30, 2025 3:21 PM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Cc: Darin Savage <darin@abadieschill.com>; Ocean Munds-Dry <omundsdry@civiresources.com>; Deana M. Bennett <deana.bennett@modrall.com>; Dana Hardy <DHardy@hinklelawfirm.com>; Lowe, Leonard, EMNRD <Leonard.Lowe@emnrd.nm.gov>; Tschantz, Freya, EMNRD <Freya.Tschantz@emnrd.nm.gov>; Corral, Madai, EMNRD <Madai.Corral@emnrd.nm.gov>
Subject: RE: [EXTERNAL] RE: cases 24732-35 and 24772

Mr. McClure,

Flat Creek has been informed that BLM issued a letter today indicating that it will reinstate the lease in question relating to Flat Creek's alternative proposals in Case No. 24772. Flat Creek respectfully requests that the Division issue an order forcepooling a spacing unit that includes the BLM tract. I will provide a CPAC no later than COB on Friday.

Many thanks for your help and your patience as we worked through this issue.

Best regards,
Sharon

Sharon Shaheen Partner
Spencer Fane LLP

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From: Shaheen, Sharon
Sent: Wednesday, April 2, 2025 5:15 PM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Cc: Darin Savage <darin@abadieschill.com>; Ocean Munds-Dry <omundsdry@civiresources.com>; Deana M. Bennett <deana.bennett@modrall.com>; Dana Hardy <DHardy@hinklelawfirm.com>; Lowe, Leonard, EMNRD <Leonard.Lowe@emnrd.nm.gov>; Tschantz, Freya, EMNRD <Freya.Tschantz@emnrd.nm.gov>; Corral, Madai, EMNRD <Madai.Corral@emnrd.nm.gov>
Subject: RE: [EXTERNAL] RE: cases 24732-35 and 24772

Mr. McClure,

Flat Creek would like until the end of April to respond to the Division's request for an election as to the alternative well proposals in Case No. 24772. Flat Creek was informed by the working interest owner with the interest in the unleased BLM lease that it should receive a definitive response from BLM before the end of the month. I note that we refiled the related Bone Spring applications, one of which has a similar alternative proposed, and that we continued the Bone Spring cases (25255-25256) today to the May 8 docket, in order to provide the working interest owner with additional time to hear from BLM. Is this acceptable?

Many thanks for your help in this matter—

Best,
Sharon

Sharon Shaheen Partner
Spencer Fane LLP

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From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Wednesday, March 19, 2025 11:48 AM
To: Shaheen, Sharon <sshaheen@spencerfane.com>
Cc: Darin Savage <darin@abadieschill.com>; Ocean Munds-Dry <omundsdry@civiresources.com>; Deana M. Bennett <deana.bennett@modrall.com>; Dana Hardy <DHardy@hinklelawfirm.com>; Lowe, Leonard, EMNRD <Leonard.Lowe@emnrd.nm.gov>; Tschantz, Freya, EMNRD <Freya.Tschantz@emnrd.nm.gov>; Corral, Madai, EMNRD <Madai.Corral@emnrd.nm.gov>
Subject: RE: [EXTERNAL] RE: cases 24732-35 and 24772

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Ms. Shaheen,

Flat Creek would need to amend the CP order if it wants the Division to force pool interest owners into an unit other than the one approved in the Order. Additionally, while an operator is allowed to move the wells from what is approved in the order to some degree, I believe the shortening of the wells necessary to remove them from the Federal lease would likely be something else which will need the order to be amended, but we can discuss it in further detail in the circumstance that it would become necessary.

Regarding the question about the NSP; the operator would need to submit a NSP if it were to want to include tracts that cannot be bought into the HSU via [19.15.16.15](#) B.(1)(b) or [19.15.16.15](#) B.(3)(b) NMAC. Having said that, I'm not sure if the Division would approve the NSP and even if it were to, I am unsure what the BLM may allow into the CA regarding an unleased federal lease.

Dean McClure
Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Shaheen, Sharon <sshaheen@spencerfane.com>
Sent: Tuesday, March 18, 2025 5:00 PM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Cc: Darin Savage <darin@abadieschill.com>; Ocean Munds-Dry <omundsdry@civiresources.com>;
Deana M. Bennett <deana.bennett@modrall.com>; Dana Hardy <DHardy@hinklelawfirm.com>;
Tschantz, Freya, EMNRD <Freya.Tschantz@emnrd.nm.gov>; Corral, Madai, EMNRD
<Madai.Corral@emnrd.nm.gov>
Subject: RE: [EXTERNAL] RE: cases 24732-35 and 24772

Mr. McClure,

Thank you for your email requesting a CPAC in Case No. 24772 for the larger 2-mile alternative proposed unit. One question for you: If the lease is not reinstated, can Flat Creek move forward by simply getting administrative approval of a non-standard unit, or would Flat Creek be required to file an amended application to pool the slightly smaller unit? I note that the only person who would be adversely impacted is the prospective lessee of the BLM tract, and the reason that the BLM tract would not be included rests on the prospective lessee's previous conduct.

Many thanks for your help. I'm happy to talk if it would be helpful.

Best,
Sharon

Sharon Shaheen Partner
Spencer Fane LLP

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From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Friday, March 7, 2025 12:23 PM
To: Shaheen, Sharon <sshaheen@spencerfane.com>

Cc: Darin Savage <darin@abadieschill.com>; Ocean Munds-Dry <omundsdry@civiresources.com>; Deana M. Bennett <deana.bennett@modrall.com>; Dana Hardy <DHardy@hinklelawfirm.com>; Tschantz, Freya, EMNRD <Freya.Tschantz@emnrd.nm.gov>; Corral, Madai, EMNRD <Madai.Corral@emnrd.nm.gov>

Subject: RE: [EXTERNAL] RE: cases 24732-35 and 24772

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Ms. Shaheen,

Please submit an amended CPAC with a single proposed unit in agreement with Flat Creek's second preference. For this case, it may be submitted as a supplemental exhibit packet with a cover letter including a brief description.

Alternatively, the Division may redline the CPAC, but it will be less ideal than issuing a clean order.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Shaheen, Sharon <sshaheen@spencerfane.com>

Sent: Tuesday, December 17, 2024 8:30 AM

To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>

Cc: Darin Savage <darin@abadieschill.com>; Ocean Munds-Dry <omundsdry@civiresources.com>; Deana M. Bennett <deana.bennett@modrall.com>; Dana Hardy <DHardy@hinklelawfirm.com>

Subject: [EXTERNAL] RE: cases 24732-35 and 24772

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Mr. McClure,

Thank you for your email. Flat Creek has learned from Devon that the unleased tract is currently under consideration in an EA that is set to go out for public comment beginning January 6. The NEPA is on track to be fully completed by late March/early April 2025, and BLM expects the lease to be reinstated fairly quickly once the NEPA is complete.

With this circumstance in mind, Flat Creek proposes the following possibilities:

1. First preference—The Division issues an order forcepooling two alternative

spacing units, the first alternative with the BLM tract, which would be conditioned on approval of the lease reinstatement, and the second alternative without the unleased BLM interest. In the prehearing statement, I provided examples of several instances in which the Division has approved, or recognized its authority to approve, alternative spacing units in the past.

2. Second preference—The Division issues an order forcepooling a spacing unit that includes the BLM tract which is currently in the reinstatement process.
3. Third preference--If the Division will not issue orders as requested in the two possibilities above, Flat Creek requests that the Division wait until the BLM reinstatement process is complete before issuing orders. As soon as the reinstatement process is complete, Flat Creek will inform the Division and request that orders be issued at that time. (This is how we proceeded in the Titus applications referenced in the prehearing statement.)

As for the depth severance, the 8,062' depth is derived from conveyances of the interests in the underlying minerals. One of the working interest owners in the interval below requested that Flat Creek not pool that interval at this time, and Flat Creek agreed. A subsequent application will be made should the parties desire to develop that interval.

My apologies for not identifying an existing depth severance. In the past, I have interpreted the question about depth severance to apply to that portion of the formation to be pooled, because it could affect allocation within the unit. Because there was not a depth severance in the depths sought to be pooled here, I did not believe that the depth severance was relevant to the application. Thank you for clarifying.

Please let me know if you have any additional questions or if it would be helpful to discuss.

Many thanks for your help—

Best,
Sharon

Sharon Shaheen Partner
Spencer Fane LLP

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From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Monday, December 9, 2024 4:38 PM
To: Shaheen, Sharon <sshaheen@spencerfane.com>
Cc: Darin Savage <darin@abadieschill.com>; Ocean Munds-Dry <omundsdry@civiresources.com>;
Deana M. Bennett <deana.bennett@modrall.com>; Dana Hardy <DHardy@hinklelawfirm.com>
Subject: [EXTERNAL] cases 24732-35 and 24772

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Ms. Shaheen,

It appears that the Applicant requested to force pool two different areas within cases 24732 and 24772 because of unleased federal minerals in the N/2 NE/4 of Section 23. Is this summary correct? Does the applicant now know which area they would like the Division to force pool in each of the cases?

In cases 24732-35, it appears that the Applicant is requesting to force pool the BS down to 8,062'. Additionally, it is stated that there is not a depth severance. Please provide a very brief explanation for why the applicant is excluding the bottom 300' of the BS. Additionally, please provide where the 8,062 figure is being derived; the basis for it is presumably from a well log in a nearby well.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
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