

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

**APPLICATIONS OF V-F PETROLEUM, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

**Case No. 20861
Case No. 20862
Order No. 21246**

ORDER

On March 3, 2020, Centennial Resource Production, LLC (“Centennial”) filed a motion to rescind or stay eight applications for permits to drill (“APDs”) issued to V-F Petroleum, Inc. (“VFP”). VFP did not file a response. Having considered the motion and reviewed the APDs, the Oil Conservation Division (“OCD”) makes the following findings of fact and conclusions of law:

1. 19.15.16.15(A)(1) NMAC provides:
 - (1) An operator shall not file an application for permit to drill nor commence the drilling of a horizontal oil or gas well until the operator has either:
 - (a) received the consent of at least one working interest owner or unleased mineral interest owner of each tract (in the target pool or formation) in which any part of the horizontal oil or gas well’s completed interval will be located; or
 - (b) obtained a compulsory pooling order from the division for an appropriate horizontal spacing unit.
2. VFP filed the APDs with OCD on May 17, 2018.
3. VFP certified in the C-102s accompanying the APDs that it either owned an interest or had a contract with a person who owned an interest in the E/2 of Section 1, Township 22 South, Range 34 East, the tract covered by the APDs.
4. Centennial alleges that VFP does not have an ownership interest in the NE/4 of Section 1, and does not have the consent of any person who owns such interest.
5. VFP did not contravert the allegation.
6. Centennial and VFP have filed competing applications to compulsory pool a

horizontal spacing unit in the E/2 of Section 1, which are pending before OCD. *See* Case Nos. 20831, 20861, and 20862.

7. These cases were scheduled for hearing on March 19, 2020, but were continued until April 16, 2020.

8. Centennial filed its motion in the cases for VFP's compulsory pooling applications, but the APDs were neither requested in nor are relevant to OCD's review of the applications.

To preserve the status quo, **IT IS HEREBY ORDERED:**

9. Centennial's motion to stay the APDs is granted.

10. No later than April 10, 2020, Centennial shall file an application for a hearing to rescind the APDs if it desires OCD to consider granting such relief.

11. If Centennial does not file an application for a hearing to rescind the APDs, then the stay shall expire at 5:00 p.m. on April 10, 2020.

12. If Centennial files an application for a hearing to rescind the APDs, then the stay shall continue until the hearing on the application.


ADRIENNE SANDOVAL
DIRECTOR

Date: 4/06/2020