

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

**APPLICATION OF ARD ENERGY, LLC TO REOPEN CASE NO 15185
PURSUANT TO THE PROVISIONS OF ORDER NO R-13913 FOR THE
PURPOSE OF DETERMINING REASONABLE WELL
COSTS, LEASE OPERATING COSTS, AND REVENUE NETTING,
LEA COUNTY, NEW MEXICO**

CASE NO 15185 (REOPENED)

APPLICATION

ARD ENERGY, LLC, through its attorney Ernest L. Padilla, Padilla Law Firm, P A , pursuant to NMAC 19-15-13-13 and the provisions of Orders R-13913 and R-13912 B, for a determination of reasonable well costs, lease operating costs, and revenue netting. In support of this application, Ard Energy, LLC states:

1 By application for compulsory pooling in OCD Case No 15185, COG Operating LLC sought an order pooling all uncommitted interests in the W/2W/2 of Section 15, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, within the West Marjamar Yeso Pool (Pool Code 44500).

2 Order R 13913 was issued by the Division on October 21, 2014 granting COG Operating's application, and amended by Order R 13913 A on May 26, 2015 to change the surface location and the name of the well, to the Ivar The Boneless Federal Well No 11H.

3 At the time of the hearing Applicant was an uncommitted working interest owner underlying the pooled unit and therefore, fell within the provisions of Order R 13913.

4 Applicant elected to participate in the drilling of the following wells drilled

pursuant to Order R 13913 as amended

a Ivar The Boneless Federal Well No 11H,

b Ivar The Boneless Federal Well No 22H,

5 Applicant did not elect to participate in the drilling of the Ivar The Boneless Federal Well No 12H

6 Following application and hearing to determine reasonable well costs pursuant to Order 13193, as amended, the Division issued Order R 13193 B which ruled that lease operating costs and revenue netting from other joint drilling projects were not within the scope to the application to determine well costs, but by separate application, review of the reasonableness of lease operating costs and revenue netting could be brought before the Division

7 Pursuant to Paragraph 11 of Order 13913 COG Operating has filed an itemized schedule of actual well costs for the Ivar The Boneless Federal Well No 12H, but, upon information and belief, COG Operating has not filed such a schedule for the Ivar The Boneless Federal Well No 22H

WHEREFORE, Applicant requests that the Division reopen Case No 15185 and set a hearing, after notice, to determine

A reasonable lease operating costs and revenue netting for the Ivar The Boneless Federal Well No 11H

B reasonable drilling and completion costs, lease operating costs and revenue netting for the Ivar the Boneless Federal Wells Nos 22H and 12H

C For such other and proper relief as the Division deems appropriate

Respectfully submitted

PADILLA LAW FIRM, P A

/s/ERNEST L PADILLA

ERNEST L PADILLA,
Attorney for Ard Energy, LLC
PO Box 2523

Santa Fe, New Mexico 87504

Telephone 505 988 7577

Fax 505 988 7592

Email padillalaw@qwestoffice.net

NMOCD Case No 15185 (Reopened)

Application of Ard Energy, LLC to reopen Case No 15185 pursuant to NMAC 19 15 13 13 and the provisions of Orders No R-13913, as amended, R-13913-B and to (1) determine reasonable lease operating costs and expenses, and revenue netting attributable to the Ivar The Boneless Federal Well No 11H (API 30-025-42514), located in a unit comprised of W/2 W/2 of Section 15, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico (the Unit), (2) to determine reasonable costs of drilling and completion, lease operating costs and expenses, and revenue netting attributable to the Ivar The Boneless Federal Wells Nos 22H (API 30-025-42998) and 12H (API 30-025-42997), located within the Unit The wells are located approximately five (5) miles south east of Maljamar, New Mexico