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May 14, 2018

HAND-DELIVERY AND EMAIL

Florene Davidson
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505
florene.davidson@state.nm.us

Case 16215

**Re: Application of OneEnergy Partners, LLC for a Non-Standard Oil Spacing
and Proration Unit and Compulsory Pooling, Lea County, New Mexico**

Dear Ms. Davidson:

Enclosed please find for filing the original and one copy of an Application regarding the above matter. Also enclosed is the proposed advertisement which will be emailed to you in Word format. Please set this matter for hearing on the June 14, 2018 examiner docket.

Thank you.

Very truly yours,

J. Scott Hall

Enclosures

cc: Jeff Lierly, OneEnergy Partners, LLC (via email, w/encs.)

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
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Post Office Box 2307
Santa Fe, New Mexico 87504-2307

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF ONEENERGY PARTNERS, LLC
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

Case No. 16215APPLICATION

OneEnergy Partners, LLC applies for an order approving a 160-acre ± non-standard oil spacing and proration unit in the Wolfcamp formation comprised of the W/2 W/2 (Lot 4, SW/4 NW/4, W/2 SW/4) of Section 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. In support thereof, Applicant states:

1. Applicant is an interest owner in the proposed spacing unit and has the right to drill a well thereon.
2. Applicant proposes to drill its **Georgetown WCA Fed Com 1H** well to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the W/2 W/2 of Section 4 to the well to form a non-standard 160-acre oil spacing and proration unit (project area) in the Wolfcamp formation (wildcat). The well is a 1-mile horizontal well, with a surface location 250 feet from the north line and 1,270 feet from the west line of Section 4 and a bottom hole location 380 feet from the south line and 660 feet from the west line of Section 4.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Wolfcamp formation in the W/2 W/2 of Section 4 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying the lands described above, pursuant to NMSA 1978, §§ 70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests in the Wolfcamp formation underlying the described lands will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing on June 14, 2018 and that, following notice and hearing, the Division enter its order:

A. Approving a non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of W/2 W/2 of Section 4, Township 24 South, Range 35 East, NMPM, Lea County;

B. Pooling all mineral interests in the Wolfcamp formation underlying the proposed non-standard unit;

C. Designating Applicant as operator of the well;

D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Scott Hall". The signature is written in a cursive style with a horizontal line underneath it.

J. Scott Hall
Seth C. McMillan
Post Office Box 2307
Santa Fe, NM 87504-2307
(505) 982-3873

Attorneys for OneEnergy Partners, LLC

Case No. 16215: *Application of OneEnergy Partners, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant seeks an order approving a non-standard 160-acre ± oil spacing and proration unit in the Wolfcamp formation comprised of the W/2 W/2 (Lot 4, SW/4 NW/4, W/2 SW/4) of Section 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Georgetown WCA Fed Com 1H** well to be drilled from an approximate surface location 250 feet from the north line and 1,270 feet from the west line to a bottomhole location 380 feet from the south line and 660 feet from the west line of Section 4, Township 24 South, Range 35 East, NMPM. 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 Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 18½ miles southwest of Eunice, New Mexico.