

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

**APPLICATION OF CONOCOPHILLIPS
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

ConocoPhillips Company (“ConocoPhillips” or “Applicant”) (OGRID No. 217817) 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 interests in the Yeso formation, underlying a standard 640-acre horizontal spacing unit comprised of the S/2 of Sections 16 and 17, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, ConocoPhillips states:

1. ConocoPhillips is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells:

- The **Sparkys Fed Com #23H well** and the **Sparkys Fed Com #61H well**, both are to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 16, to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 17;
- The **Sparkys Fed Com #22H well** to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 16, to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 17.

3. The completed interval of the **Sparkys Fed Com #61H well** will remain within 330 feet of the quarter-quarter line separating the N/2 S/2 from the S/2 S/2 of Sections 16 and 17 to allow inclusion of these proximity tracts into a standard horizontal spacing unit.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the interest owners in the subject spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal spacing unit and the proposed initial wells.

7. This case is competing with the Applications of Spur Energy Partners in Case Nos. 21926-21931.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division, on July 1, 2021, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Yeso formation and approving the initial wells thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing 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% charge 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,

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