

**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 480-acre horizontal spacing unit comprised of the N/2 of Section 13, Township 17 South, Range 33 East, and the NW/4 of Section 18, Township 17 South, Range 34 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 **Caprock Yeso Area CYA E State Com #106H well** to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 13, to a bottom hole location in the SE/4 NW/4 (Unit F) of Section 18; and
 - The **Caprock Yeso Area CYA E State Com #206H well** and the **Caprock Yeso Area CYA E State Com #108H well**, both are to be horizontally drilled from a

surface location in the NW/4 NW/4 (Unit D) of Section 13, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 18.

3. The completed interval of the **Caprock Yeso Area CYA E State Com #106H well** will remain within 330 feet of the quarter-quarter line separating the N/2 N/2 from the S/2 N/2 of Section 13 and the N/2 NW/4 from the S/2 NW/4 of Section 18 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 August 6, 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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