

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

**APPLICATION OF V-F PETROLEUM INC.
LLC FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. _____

APPLICATION

Pursuant to NMSA § 70-2-17, V-F Petroleum Inc. (“V-F Petroleum” or “Applicant”), applies for an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2N/2 of Section 19, Township 19 South, Range 28 East, and the S/2NE/4 of Section 24, Township 19 South, Range 27 East in Eddy County, New Mexico (“Unit”). In support of its application, Applicant states the following:

1. Applicant (OGRID No. 24010) is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Lightfoot 19 State Com 223H** and **Lightfoot 19 State Com 233H** wells which will be horizontally drilled from a surface location in the SE/4NE/4 (Unit H) of Section 19 to a bottom hole location in the SW/4NE/4 (Unit G) of Section 24 (“Wells”).
3. The completed intervals of the Wells will be orthodox.
4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all of the mineral interest owners.
5. The pooling of uncommitted mineral interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and Unit.

WHEREFORE, Applicant requests this application be set for hearing on November 4, 2021 and that, after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- E. 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
- F. Imposing a 200% penalty 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,

HINKLE SHANOR LLP

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