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

APPLICATION OF V-F PETROLEUM INC.
FOR APPROVAL OF A NON-STANDARD
SPACING AND PRORATION UNIT,
LEA COUNTY, NEW MEXICO.   **CASE NOS. 22284-22286**

CONSOLIDATED PRE-HEARING STATEMENT

V-F Petroleum Inc. ("Applicant") submits its consolidated Pre-Hearing Statement pursuant

to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT   **ATTORNEYS**
V-F Petroleum Inc.   Dana S. Hardy
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INTERESTED PARTIES   **ATTORNEYS**
No other parties of record.

STATEMENT OF THE CASE

In Case No. 22284, Applicant applies for an order approving a 160-acre, more or less, non-

standard spacing and proration unit ("Unit") comprised of the SE/4 of Section 7, Township 15

South, Range 38 East, Lea County, New Mexico. V-F Petroleum proposes to dedicate the Unit to

its Denton 7 #1 well ("Well") which is vertically drilled from a surface hole location 1,800 FSL

and 880 FEL (Unit I) in Section 7 to a depth sufficient to test the Denton; Wolfcamp pool (Pool

Code 17290) within the Wolfcamp formation. This pool requires 40-acre spacing with wells to be

located no closer than 330 feet to a quarter-quarter section line. The Well is currently dedicated to a 40-acre unit comprised of the NE/4SE/4 of Section 7. The location of the Well is orthodox. Applicant seeks approval of a 160-acre non-standard spacing and proration unit comprised of the SE/4 of Section 7 so that all quarter-quarter sections that will be affected by the well are included within the Unit. Accordingly, V-F Petroleum seeks to include the S/2SE/4 and NW/4SE/4 of Section 7 in the Unit. The Well is located approximately 12 miles northeast of Lovington, New Mexico.

In Case No. 22285, Applicant applies for an order approving a 160-acre, more or less, non-standard spacing and proration unit ("Unit") comprised of the NE/4 of Section 7, Township 15 South, Range 38 East, Lea County, New Mexico. V-F Petroleum proposes to dedicate the Unit to its DMT 7 Fee #2 well ("Well") which has been vertically drilled from a surface hole location 1,200 FNL and 1,300 FEL in Section 7 (Unit A) to a depth sufficient to test the Denton; Wolfcamp pool (Pool Code 17290) within the Wolfcamp formation. This pool requires 40-acre spacing with wells to be located no closer than 330 feet to a quarter-quarter section line. The Well is currently dedicated to a 40-acre unit comprised of the NE/4NE/4 of Section 7. The location of the Well is currently unorthodox to allow it to be drilled at a geologically preferred location for the maximum recovery of hydrocarbons and to prevent waste. The unorthodox location was approved by Administrative Order NSL-7688. Applicant seeks approval of a 160-acre non-standard spacing and proration unit comprised of the NE/4 of Section 7 so that all quarter-quarter sections that will be affected by the well are included within the Unit. Accordingly, V-F Petroleum seeks to include the W/2NE/4 and SE/4NE/4 of Section 7 in the Unit. The location of the well will be orthodox within the proposed Unit. The Well is located approximately 12 miles northeast of Lovington, New Mexico.

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In Case No. 22286, Applicant applies for an order approving a 160-acre, more or less, non-standard spacing and proration unit ("Unit") comprised of the NW/4 of Section 7, Township 15 South, Range 38 East, Lea County, New Mexico. V-F Petroleum proposes to dedicate the Unit to its DMT 7 Fee #3 well ("Well"), which is vertically drilled from a surface hole location 1,350 FNL and 2,300 FWL (Unit F) in Section 7 to a depth sufficient to test the Denton; Wolfcamp pool (Pool Code 17290) within the Wolfcamp formation. This pool requires 40-acre spacing with wells to be located no closer than 330 feet to a quarter-quarter section line. The Well is currently dedicated to a 40-acre unit comprised of the SE/4NW/4 of Section 7. The location of the Well is currently unorthodox to allow it to be drilled at a geologically preferred location for the maximum recovery of hydrocarbons and to prevent waste. The unorthodox location was approved by Administrative Order NSL-7689. Applicant seeks approval of a 160-acre non-standard spacing and proration unit comprised of the NW/4 of Section 7 so that all quarter-quarter sections that will be affected by the well are included within the Unit. Accordingly, V-F Petroleum seeks to include the N/2NW/4 and SW/4NW/4 of Section 7 in the Unit. The location of the well will be orthodox within the proposed Unit.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
John Lodge	Landman	Affidavit	Approx. 5
Jason Lodge	Geologist	Affidavit	Approx. 3

PROCEDURAL MATTERS

Applicant requests Case Nos. 22284, 22285 and 22286 be consolidated for the purpose of hearing. Applicant will present these cases by affidavit if there is no opposition to its applications.

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Respectfully submitted,

HINKLE SHANOR, LLP

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Energy, Minerals and Natural Resources
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QUESTIONS

Operator: V-F PETROLEUM INC P.O. Box 1889 Midland, TX 79702	OGRID: 24010
	Action Number: 58532
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	*Not answered.*
Testimony time (in minutes)	*Not answered.*