

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

APPLICATION OF CROCKETT
OPERATING, LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. _____

APPLICATION

Crockett Operating, LLC (“Crockett Operating” or “Applicant”) (OGRID No. 331255), through its undersigned attorneys, 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 San Andres formation underlying a standard 480-acre, more or less, horizontal well spacing unit comprised of the W/2 of Section 31 and the SW/4 of Section 30, Township 13 South, Range 38 East, NMPM, Lea County, New Mexico. In support of its application, Crockett Operating states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Ackbar 30 31 A Fee 1H** well to be horizontally drilled from a surface location in NW/4SW/4 (Unit L) of Section 30 to a bottom hole location in SW/4SW/4 (Unit M) of Section 31, Township 13 South, Range 38 East.
3. The completed interval of this initial well is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the mineral 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. To allow the recovery of Applicant's 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 well and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 20, 2022, and, after notice and hearing as required by law, the Division enter an order:

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

Respectfully submitted,

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**ATTORNEYS FOR CROCKETT
OPERATING, LLC**

Application of Crockett Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the San Andres formation underlying a standard 480-acre horizontal well spacing unit comprised of the W/2 of Section 31 and the SW/4 of Section 30, Township 13 South, Range 38 East, NMPM, Lea County, New Mexico. This spacing unit will be initially dedicated to the proposed **Ackbar 30 31 A Fee 1H** well to be horizontally drilled from a surface location in NW/4SW/4 (Unit L) of Section 30 to a bottom hole location in SW/4SW/4 (Unit M) of Section 31, Township 13 South, Range 38 East. The completed interval of this initial well is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles southeast of Tatum, New Mexico.