

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

**APPLICATIONS OF V-F PETROLEUM INC.
FOR COMPULSORY POOLING AND APPROVAL
OF NON-STANDARD SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NOS. 23254 & 23255

CONSOLIDATED PRE-HEARING STATEMENT

V-F Petroleum Inc. (“V-F” or “Applicant”) submits its Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPLICANT

V-F Petroleum Inc.

ATTORNEYS

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INTERESTED PARTY

None.

ATTORNEYS

STATEMENT OF THE CASE

In Case No. 23254, Applicant applies for an order: (1) establishing a 480-acre, more or less, non-standard horizontal spacing unit comprised of the NE/4 of Section 35 and the N/2 of Section 36, Township 19 South, Range 27 East, Eddy County, New Mexico (“Unit”); and (2) pooling all interests in the Bone Spring formation underlying the Unit. The spacing unit will be dedicated to the following wells:

- **Angell Ranch 35/36 Fed Com #223H** well, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 35 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 36;
- **Angell Ranch 35/36 Fed Com #224H** well, to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 35 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 36;
- **Angell Ranch 35/36 Fed Com #233H** well, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 35 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 36; and
- **Angell Ranch 35/36 Fed Com #234H** well, to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 35 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 36.

In **Case No. 23255**, Applicant applies for an order: (1) establishing a 480-acre, more or less, non-standard horizontal spacing unit comprised of the SE/4 of Section 35 and the S/2 of Section 36, Township 19 South, Range 27 East, Eddy County, New Mexico (“Unit”); and (2) pooling all interests in the Bone Spring formation underlying the Unit. The spacing unit will be dedicated to the following wells:

- **Angell Ranch 35/36 Fed Com #221H** well, to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 35 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 36;
- **Angell Ranch 35/36 Fed Com #222H** well, to be drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 35 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 36;

- **Angell Ranch 35/36 Fed Com #231H** well, to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 35 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 36; and
- **Angell Ranch 35/36 Fed Com #232H** well, to be drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 35 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 36.

The completed intervals of the Wells will be orthodox. Also to be considered in each case will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells.

The wells are located approximately 18 miles southwest of Artesia, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
John Lodge	Land Consultant	Affidavit	Approx. 5
Jason Lodge	Geologist	Affidavit	Approx. 7

PROCEDURAL MATTERS

Applicant requests that the Division consolidate these matters for hearing. Applicant will present these matters by affidavit if there is no opposition.

Respectfully submitted,

HINKLE SHANOR, LLP

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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QUESTIONS

Action 170060

QUESTIONS

Operator: V-F PETROLEUM INC P.O. Box 1889 Midland, TX 79702	OGRID: 24010
	Action Number: 170060
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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