

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

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

Case No. _____

APPLICATION

Pursuant to NMSA §70-2-17, Manzano, LLC (“Applicant”) (OGRID No. 231429), through its undersigned attorneys, hereby files this application with the New Mexico Oil Conservation Division for an order pooling all uncommitted mineral interests in the Avalon, Bone Spring formation underlying a 320 acre, more or less, standard horizontal spacing unit (“Unit”) comprised of the SE/4NE/4 of Section 6, the S/2S/2 of Section 5, the SW/4NE/4 and S/2NW/4 of Section 4, Township 20 South, Range 26 East, Eddy County, New Mexico. In support of its application, Applicant states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Mia 64 Fee #2H** well (“Well”) to be horizontally drilled from a surface location in the SE/4NE/4 (Unit H) of Section 6 to a bottom hole location in the SW/4NE/4 (Unit G) of Section 4.
3. The completed interval of the Well is 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 Well but has been unable to obtain voluntary agreements from all 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 Well and Unit.

WHEREFORE, Applicant requests this application be set for hearing on July 6, 2023, and that after notice and hearing the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- 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 Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

RESPECTFULLY SUBMITTED,

CAVIN & INGRAM, P.A.

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ATTORNEYS FOR APPLICANT

Application of Manzano, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in Avalon, Bone Spring formation underlying a 320 acre, more or less, standard horizontal spacing unit (“Unit”) comprised of the SE/4NE/4 of Section 6, the S/2S/2 of Section 5, the SW/4NE/4 and S/2NW/4 of Section 4, Township 20 South, Range 26 East, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Mia 64 Fee #2H** well, to be horizontally drilled from a surface location in the SE/4NE/4 (Unit H) of Section 6, Township 20 South, Range 26 East, to a bottom hole location in the SW/4NE/4 (Unit G) of Section 4, Township 20 South, Range 26 East. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located adjacent to Seven Rivers, New Mexico and neighboring Brantley Lake.