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

APPLICATION OF SUMMIT OIL & GAS, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. _____

APPLICATION

Summit Oil & Gas, LLC ("Summit"), OGRID Number 332213, through its undersigned attorneys, hereby submits this application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Section 11, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, Summit states as follows:

1.   Summit is an interest owner in the subject lands and has a right to drill a well thereon.

2.   Summit seeks to dedicate the W/2 of Section 11, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, standard spacing unit.

3.   Summit plans to drill the **Hefner #1H well** to a depth sufficient to test the Wolfcamp formation. The well will be horizontally drilled.

4.   The well will be drilled at an orthodox location.

5.   The completed interval for the Hefner #1H well is expected to be less than 330' from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC.

6.   Summit sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

7.   The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Summit requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 4, 2024 and after notice and hearing as required by law, the Division enter its order:

A.   Pooling all uncommitted mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the W/2 of Section 11, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico;

B.   Designating Summit as operator of this unit and the wells to be drilled thereon;

C.   Authorizing Summit to recover its costs of drilling, equipping and completing the well;

D.   Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E.   Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

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CASE NO. _____: Application of Summit Oil & Gas, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a standard 320-acre, more or less, Wolfcamp horizontal spacing unit underlying the W/2 of Section 11, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Hefner #1H, to be horizontally drilled. The well will be drilled at an orthodox location. The completed interval for the Hefner #1H well is expected to be less than 330' from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Summit as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 13 miles Northwest of Jal, New Mexico.

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