

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

**APPLICATION OF 3R OPERATING LLC
TO EXTEND TIME TO COMMENCE DRILLING
OPERATIONS AND POOL ADDITIONAL INTERESTS
UNDER ORDER NO. R-22844,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24628
ORDER NO. R-22844**

**APPLICATION OF 3R OPERATING LLC
TO EXTEND TIME TO COMMENCE DRILLING
OPERATIONS AND POOL ADDITIONAL
INTERESTS UNDER ORDER NO. R-22845,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24629
ORDER NO. R-22845**

**APPLICATION OF 3R OPERATING LLC
TO EXTEND TIME TO COMMENCE DRILLING
OPERATIONS AND POOL ADDITIONAL
INTERESTS UNDER ORDER NO. R-22846,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24630
ORDER NO. R-22846**

**APPLICATION OF 3R OPERATING LLC
TO EXTEND TIME TO COMMENCE DRILLING
OPERATIONS AND POOL ADDITIONAL
INTERESTS UNDER ORDER NO. R-22847,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24631
ORDER NO. R-22847**

CONSOLIDATED PRE-HEARING STATEMENT

3R Operating LLC (“3R” or “Applicant”)¹ submits its Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPLICANT

3R Operating LLC

ATTORNEYS

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¹ 3R is the successor in interest to Flat Creek Resources LLC.

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INTERESTED PARTY

ATTORNEYS

None.

STATEMENT OF THE CASE

In **Case No. 24628**, 3R requests a one-year extension of time to commence drilling operations and to pool additional interests under Order No. R-22844. The Division entered the Order in Case No. 23587 on August 25, 2023. The Order pooled uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County, New Mexico² and dedicated the Unit to the Rena 7 Fed Com 601H well.

In **Case No. 24629**, 3R requests a one-year extension of time to commence drilling operations and to pool additional interests under Order No. R-22845. The Order pooled uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County, New Mexico³ and dedicated the Unit to the Rena 7 Fed Com 603H well.

In **Case No. 24630**, 3R requests one-year extension of time to commence drilling operations and to pool additional interests under Order No. R-22846. The Division entered the Order in Case No. 23589 on August 25, 2023. The Order pooled uncommitted interests in the Wolfcamp formation underlying a 640-acre, more or less, non-standard horizontal spacing unit

² The Order approved alternative spacing units (640 acres or 600 acres) due to uncertainty regarding federal leases. That uncertainty has been resolved and Applicant will drill and complete the Well within the 640-acre spacing unit.

³ The Order approved alternative spacing units (a 640 acre or 520 acre) due to uncertainty with federal leases. That uncertainty has been resolved and Applicant will drill and complete the Well within the 640-acre spacing unit.

comprised of the W/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County, New Mexico⁴ and dedicated the Unit to the Rena 7 Fed Com 702H well.

In **Case No. 24631**, 3R request a one-year extension of time to commence drilling operations and to pool additional interests under Order No. R-22847. The Order pooled uncommitted interests in the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County, New Mexico⁵ and dedicated the Unit to the Rena 7 Fed Com 704H well.

Good cause exists for 3R’s requested extension of time to commence drilling the Rena 7 Fed Com 601H, 603H, 702H, and 704H wells because 3R’s ability to commence drilling the wells has been impacted by delays in the issuance of federal drilling permits and limitations on gas takeaway.

Additionally, since the Orders were entered, 3R has identified additional uncommitted interests in the Units that have not been pooled under the terms of the Order. 3R withdraws its request to pool additional interests under the terms of Order Nos. R-22844 and R-22845, and only seeks to pool additional uncommitted interests under the terms of Order Nos. R-22846 and R-22847. 3R requests that these additional interests be pooled into the Unit pursuant to the terms of the Orders in order to allow 3R to obtain its just and fair share of the oil and gas underlying the subject lands.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Eric Unverzagt	Landman	Affidavit	Approx. 5

⁴ The Order approved alternative spacing units (640 acres or 600 acres) due to uncertainty regarding federal drilling leases. The uncertainty has been resolved and Applicant will drill and complete the Well within the 640-acre spacing unit.

⁵ The Order approved alternative spacing units (640 acres or 480 acres) due to uncertainty regard federal leases. That uncertainty has been resolved and Applicant will drill and complete the Well within the 640-acre spacing unit.

PROCEDURAL MATTERS

Applicant requests that these cases be consolidated for hearing and intends to present these matters by affidavit if there is no opposition.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy _____

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 365377

QUESTIONS

Operator: 3R Operating, LLC 4000 N BIG SPRING ST Midland, TX 79705	OGRID: 331569
	Action Number: 365377
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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