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

## APPLICATION OF 3R OPERATING LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22845, EDDY COUNTY, NEW MEXICO.

CASE NO. \_\_\_\_\_ ORDER NO. R-22845

## **APPLICATION**

3R Operating LLC (OGRID No. 331569), as successor in interest to Flat Creek Resources, LLC, ("Applicant") files this application with the Oil Conservation Division ("Division") seeking to pool additional interests under Order No. R-22845. In support of this application, Applicant states the following.

1. The Division entered Order No. R-22845 in Case No. 23588 on August 25, 2023.

2. 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 Mexico ("Unit")<sup>1</sup> and dedicated the Unit to the Rena 7 Fed Com 603H well ("Well").

3. Order No. R-22845 designated Applicant as operator of the Unit and Well.

4. On September 19, 2024, the Division issued Order No. R-22845-A, pooling additional uncommitted interests under the terms of Order No. R-22845 and extending the deadline to commence drilling the Well until August 25, 2025.

5. Since Order No. R-22845-A was entered, Applicant has identified additional uncommitted interests in the Unit that have not been pooled.

<sup>&</sup>lt;sup>1</sup> 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.

6. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of Order No. R-22845.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on January 9, 2025, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Order No. R-22845.

Respectfully submitted,

## HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean Dylan M. Villescas P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com dvillescas@hinklelawfirm.com *Attorneys for 3R Operating LLC*