

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

**APPLICATION OF RILEY PERMIAN
OPERATING COMPANY, LLC FOR
APPROVAL OF NON-STANDARD
HORIZONTAL SPACING UNIT AND
COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO**

Case No. _____

APPLICATION

Riley Permian Operating Company, LLC, OGRID No. 372290 (“Riley” or “Applicant”), through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17 and 19.15.16.15(B)(5) NMAC, for an order (1) approving a 160-acre, more or less, non-standard horizontal spacing unit (“HSU”) composed of the S/2 N/2 of Section 33, Township 17 South, Range 27 East, N.M.P.M. (the “Application Lands”), and (2) pooling all uncommitted mineral interests in the Yeso Formation, designated as an oil pool, underlying said HSU. ”), and (2) pooling all uncommitted mineral interests in the Yeso Formation, designated as an oil pool, underlying said HSU.

In support of its Application, Riley states the following:

1. Riley is a working interest owner in the Application Lands and has a right to drill wells thereon as the designated Operator of the Application Lands.
2. Riley seeks to dedicate all of the Application Lands to form a 160-acre, more or less, HSU.
3. Riley seeks to dedicate the above-referenced HSU to the following proposed wells:
 - A. **Eagle 33 Fed Com #007H** (API No. 30-015-49713), which is an oil well that will be horizontally drilled from a surface location in the SW/4NW/4 (Unit E) of

Section 34, Township 17 South, Range 27 East, to a bottom hole location in the Yeso Formation in Lot 5 (Unit E) of Section 33, Township 17 South, Range 27 East;

B. **Eagle 33 Fed Com #008H** (API No. 30-015-49714), which is an oil well that will be horizontally drilled from a surface location in the SW/4NW/4 (Unit E) of Section 34, Township 17 South, Range 27 East, to a bottom hole location in the Yeso Formation in Lot 5 (Unit E) of Section 33, Township 17 South, Range 27 East;

4. The wells are orthodox in their location as defined by 19.15.16.15.(C) NMAC, and the take points and laterals comply with Statewide Rules for setbacks under 19.15.16.15.(C) NMAC.

5. Riley has sought in good faith but has been unable to obtain voluntary agreement from all interest owners in the Yeso Formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

6. The pooling of all interests in the Yeso Formation within the proposed unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Approval of a non-standard horizontal spacing unit is necessary to prevent waste and protect correlative rights.


8. To provide for its just and fair share of the oil and gas underlying the subject lands, Riley requests that all uncommitted interests in this HSU be pooled and that Riley be designated as the operator of the proposed horizontal wells and HSU.

WHEREFORE, Riley requests this Application be set for hearing on January 9th, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

- A. Approving the creation of an approximately 160-acre non-standard HSU, composed of the Application Lands, pursuant to 19.15.16.15(B)(5) NMAC;
- B. Pooling all uncommitted interests in the Yeso Formation underlying the HSU within the Application Lands;
- C. Approving the **Eagle 33 Fed Com #007H** and **Eagle 33 Fed Com #008H** as the wells for the HSU.
- D. Designating Riley as operator of the HSU and the horizontal wells to be drilled thereon;

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

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Application of Riley Permian Operating Company, LLC for Approving a Non-Standard Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) approving a 160-acre, more or less, non-standard horizontal spacing and proration unit composed of all of the S/2 N/2 of Section 33, Township 17 South, Range 27 East, N.M.P.M.; and (2) pooling all uncommitted mineral interests in the Yeso Formation, designated as an oil pool, underlying said unit. The proposed wells to be dedicated to the horizontal spacing unit are the: **Eagle 33 Fed Com #007H**, which is an oil well that will be horizontally drilled from a surface location in the SW/4NW/4 (Unit E) of Section 34 to a bottom hole location in the Yeso Formation in Lot 5 (Unit E) of Section 33; and the **Eagle 33 Fed Com #008H**, which is an oil well that will be horizontally drilled from a surface location in the SW/4NW/4 (Unit E) of Section 34 to a bottom hole location in the Yeso Formation in Lot 5 (Unit E) of Section 33. The wells are orthodox in location, and the take points and laterals comply with Statewide Rules for setbacks. The wells and lands are located approximately 8 miles southeast from Artesia, New Mexico.