

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

**APPLICATION OF FLAT CREEK RESOURCES, LLC,  
FOR A COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

Case No. \_\_\_\_\_

**APPLICATION**

FE Permian Owner I, LLC, (“Applicant”), in conjunction with its designated operator Flat Creek Resources, LLC, (“Flat Creek Resources”) OGRID No. 374034 (collectively “Flat Creek”), through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a non-standard 960-acre, more or less, spacing and proration unit comprised of the S/2 NW/4 and SW/4 of Section 13, the S/2 N/2 and S/2 of Section 14, and the S/2 NE/4 and SE/4 of Section 15, all in Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico. In support of its Application, Flat Creek states the following:

1. Applicant is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has the right to drill a well thereon. Applicant designates Flat Creek Resources, as the operator of the HSU and wells.
2. Applicant proposes and dedicates to the HSU the **Cardigan Fed Com 132H Well**, the **Cardigan Fed Com 133H Well**, and the **Cardigan Fed Com 134H Well**, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.

3. Applicant proposes the **Cardigan Fed Com 132H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 13 to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 15.

4. Applicant proposes the **Cardigan Fed Com 133H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 13 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 15.

5. Applicant proposes the **Cardigan Fed Com 134H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 13 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 15.

6. All the wells proposed herein are orthodox in their location, as the take points and completed intervals will comply with setback requirements for standard locations under the statewide rules.

7. This is a non-standard spacing (NSP) unit, and Applicant is applying for administrative approval of the NSP unit.

8. Applicant has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for their development within the proposed HSU.

9. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

10. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Applicant requests that all uncommitted interests in this HSU be pooled and that Flat Creek Resources be designated the operator of the proposed horizontal wells and HSU.

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

A. Pooling all uncommitted mineral interests in the Bone formation underlying a non-standard 960-acre, more or less, spacing and proration unit comprised of the S/2 NW/4 and SW/4 of Section 13, the S/2 N/2 and S/2 of Section 14, and the S/2 NE/4 and SE/4 of Section 15, all in Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico.

B. Approving the **Cardigan Fed Com 132H Well**, the **Cardigan Fed Com 133H Well**, and the **Cardigan Fed Com 134H Well**, as the wells for the HSU.

C. Designating Flat Creek Resources as the designated operator of this HSU and the horizontal wells to be drilled thereon;

D. Authorizing Flat Creek to recover its costs of drilling, equipping, and completing the wells;

E. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

F. Setting a 200% charge for the risk assumed by Applicant in drilling and completing the wells in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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**Attorneys for Applicant**

***Application of FE Permian Owner I, LLC, for Compulsory Pooling, Eddy County, New Mexico.***

Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a non-standard 960-acre, more or less, spacing and proration unit comprised of the S/2 NW/4 and SW/4 of Section 13, the S/2 N/2 and S/2 of Section 14, and the S/2 NE/4 and SE/4 of Section 15, all in Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the **Cardigan Fed Com 132H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 13 to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 15; **Cardigan Fed Com 133H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 13 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 15; and the **Cardigan Fed Com 134H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 13 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 15. The proposed wells will be orthodox in their locations, as their take points and completed intervals will comply with the setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; the designation of Flat Creek Resources, LLC, as the operator of the wells and unit; actual operating costs and charges for supervision; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 14.5 miles southeast of Artesia, New Mexico.