

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

**APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC TO RESCIND
THE APPROVAL OF APPLICATIONS FOR PERMITS TO DRILL FILED BY V-F
PETROLEUM, INC., LEA COUNTY, NEW MEXICO**

CASE NO. _____

APPLICATION

Centennial Resource Production, LLC (“Applicant”) (OGRID No. 372165), through its undersigned attorneys, hereby files this application with the Oil Conservation Division for an order rescinding the approval of eight applications for permits to drill for the Getty wells (“Getty APDs”) filed by V-F Petroleum Inc. (“V-F Petroleum”) in violation of 19.15.16.15 NMAC. In support of this application, Centennial states:

1. Under **Case Nos. 20861** and **20862**, V-F Petroleum has applied for compulsory pooling orders for its proposed Getty wells in the E/2 of Section 1, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico.

2. Under Order R-21246 issued in Case Nos. 20861 and 20862, the Division has stayed the APDs issued for the following Getty wells upon a motion filed by Centennial:

- a. **Getty 1 State #223H (API No. 30-025-44796);**
- b. **Getty 1 State #224H (API No. 30-025-44797);**
- c. **Getty 1 State #233H (API No. 30-025-44799);**
- d. **Getty 1 State #234H (API No. 30-025-44800);**
- e. **Getty 1 State #323H (API No. 30-025-44802);**
- f. **Getty 1 State #324H (API No. 30-025-44803);**
- g. **Getty 1 State #333H (API No. 30-025-44806); and**

- h. **Getty 1 State #334H (API No. 30-025-44807).**
3. The Division stayed these Getty APDs on the grounds that they were issued in violation of Division Rule 19.15.16.15.A NMAC which provides:
- (1) An operator **shall not file** an application for permit to drill nor commence the drilling of a horizontal oil or gas well until the operator has either:
- (a) received the consent of at least one working interest owner or unleased mineral interest owner of each tract (in the target pool or formation) in which any part of the horizontal oil or gas well's completed interval will be located; or
 - (b) obtained a compulsory pooling order from the division for an appropriate horizontal spacing unit. (emphasis added)
4. V-F Petroleum does not own an interest in the NE/4 of Section 1 nor does it have "the consent of at least one working interest owner ... of each tract (in the target pool or formation) in which any part of the horizontal oil or gas well's completed interval will be located." *Id.*
5. Further, on each of the Form C-102s accompanying the Getty APDs V-F Petroleum falsely certified that it either owned an interest or had a contract with a person who owned an interest in each tract comprising the E/2 of Section 1.
6. The Getty APDs were improperly filed by V-F Petroleum and the Division's approval of those APDs was obtained under false pretenses.
7. In order to protect the integrity of the Division's permitting process, the Division's approval of the Getty APDs must be rescinded.
8. Pursuant to Division Order R-21246, the filing of this application maintains the stay of these improperly issued Getty APDs pending a hearing on this matter.

WHEREFORE, Centennial requests that the Division set this matter for hearing before an Examiner of the Oil Conservation Division on May 14, 2020, and after notice and hearing as

required by law, the Division issue an order rescinding the Getty APDs and granting such further relief as the Division deems just and proper.

Respectfully submitted,

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**ATTORNEYS FOR CENTENNIAL RESOURCE
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CERTIFICATE OF SERVICE

I hereby certify that on April 10, 2020, I served a copy of the foregoing document to the following counsel of record for V-F Petroleum in Case Nos. 20861 & 20862 via Electronic Mail:

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