

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

**APPLICATION OF INVITO OPERATING, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Invito Operating, LLC (“Applicant”) applies for an order pooling all uncommitted interests in the San Andres formation underlying a 160-acre, more or less, standard horizontal spacing unit (“Unit”) comprised of Lot 1, SE/4 NE/4 and E/2 SE/4 (E/2 E/2 equivalent) of Section 1, Township 9 South, Range 33 East, Lea County, New Mexico. In support of its application, Applicant states the following.

1. Applicant (OGRID No. 329337) is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the Palisade #1H well, which will be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 12, Township 9 South, Range 33 East, to a bottom hole location in Lot 1 of Section 1, Township 9 South, Range 33 East.
3. The completed interval of the Well will be orthodox.
4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all of the interest owners.
5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Well and Unit.

WHEREFORE, Applicant requests this application be set for hearing on August 4, 2022 and that, after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

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