

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

**APPLICATION OF CATAMOUNT ENERGY PARTNERS, LLC, FOR APPROVAL OF
A NON-STANDARD HORIZONTAL WELL SPACING UNIT FOR A MULTI-
LATERAL WELL AND COMPULSORY POOLING, SAN JUAN AND RIO ARRIBA
COUNTIES, NEW MEXICO.**

CASE NO. _____

APPLICATION

Catamount Energy Partners, LLC (“Catamount” or “Applicant”) (OGRID No. 308973), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17 and § 70-2-18, for an order (a) creating a 987.58-acre, more or less, non-standard horizontal well spacing unit in the Fruitland Coal formation [Basin Fruitland Coal (Gas) Pool (Pool Code 71629)] underlying all of irregular Section 11 and the W/2 equivalent, the NE/4 equivalent and the NW/4SE/4 of irregular Section 12, Township 32 North, Range 6 West, NMPM, San Juan and Rio Arriba Counties, New Mexico,¹ and (b) pooling the uncommitted mineral interest owners in this proposed non-standard horizontal well spacing unit. In support of its application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal well spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced spacing unit to the **Navajo Lake 32-6-11 No. 1** well, a multi-lateral horizontal well to be drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 10 with a completed horizontal wellbore and three laterals that commence in the W/2 W/2 of irregular Section 11 and extend to bottom hole locations

¹ The border of San Juan and Rio Arriba Counties is located within Section 11.

in the NE/4NE/4 equivalent (Lot 1), the NW/4 SE/4 (Unit J) and the SE/4 SW/4 (Unit N) of irregular Section 12.

3. Applicant seeks approval of the non-standard spacing unit to accommodate development under Navajo Lake, to address the land configurations associated with irregular Sections 11 and 12, to address unleased federal acreage in the NE/4SE/4 and the S/2SE/4 of irregular Section 12, and to minimize cost and surface disturbance.

4. Division rules allow multiple laterals of a horizontal well to be dedicated to the same spacing unit when they are to be in the same pool or formation. *See* NMAC 19.15.16.15.B(7)(a).

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.

6. Approval of this application will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 4, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the non-standard horizontal well spacing unit;
- B. Pooling all uncommitted interests in the horizontal spacing unit;
- C. Approving the initial multi-lateral horizontal well in the spacing unit;
- D. Designating Applicant as the operator of this spacing unit and the horizontal wells to be drilled thereon;

- E. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- F. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Imposing a 200% charge 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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**ATTORNEYS FOR CATAMOUNT ENERGY PARTNERS,
LLC.**

CASE _____: Application of Catamount Energy Partners, LLC, for Approval of a Non-Standard Horizontal Well Spacing Unit for A Multi-Lateral Well and Compulsory Pooling, San Juan and Rio Arriba Counties, New Mexico. Applicant in the above-styled cause seeks an order (a) creating a 987.58-acre, more or less, non-standard horizontal well spacing unit in the Fruitland Coal formation [Basin Fruitland Coal (Gas) Pool (Pool Code 71629)] underlying all of irregular Section 11 and the W/2 equivalent, the NE/4 equivalent and the NW/4SE/4 of irregular Section 12, Township 32 North, Range 6 West, NMPM, San Juan and Rio Arriba Counties, New Mexico, and (b) pooling the uncommitted mineral owners in this proposed non-standard horizontal well spacing unit. Applicant seeks to initially dedicate the above-referenced spacing unit to the **Navajo Lake 32-6-11 No. 1** well, a multi-lateral horizontal well to be drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 10 with a completed horizontal wellbore and three laterals that commence in the W/2 W/2 of irregular Section 11 and extend to bottom hole locations in the NE/4NE/4 equivalent (Lot 1), the NW/4 SE/4 (Unit J) and the SE/4 SW/4 (Unit N) of irregular Section 12. Also, to be considered will be the cost of drilling and completing the multi-lateral horizontal well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing the well. Said area is located approximately 19 miles northeast of the town of Navajo Dam, New Mexico.