

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

**APPLICATION OF V-F PETROLEUM INC.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

CASE NO. \_\_\_\_\_

**APPLICATION**

Pursuant to NMSA 1978, § 70-2-17, V-F Petroleum Inc. (OGRID No. 24010) (“V-F” or “Applicant”) applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 SE/4 of Section 29 and the W/2 E/2 of Section 32, Township 21 South, Range 35 East, Lea County, New Mexico (“Unit”). In support of this application, V-F states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the following wells (“Wells”):
  - a. The **Cache River 29 32 State Com #103H** well, to be drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 29 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 32;
  - b. The **Cache River 29 32 State Com #203H** well, to be drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 29 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 32; and
  - c. The **Cache River 29 32 State Com #303H** well, to be drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 29 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 32.
3. The completed intervals of the Wells 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 Wells but has been unable to obtain voluntary agreements from all 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 Wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 5, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Wells;
- 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 Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HINKLE SHANOR LLP

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