

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

APPLICATION OF REDWOOD OPERATING  
LLC FOR COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO.

CASE NO. 23186

**NOTICE OF REVISED EXHIBIT A**

Redwood Operating LLC, applicant in the above-referenced case, gives notice that it is filing the attached exhibit for acceptance into the record.

**Revised Exhibit A: Compulsory Pooling Application Checklist** is a corrected copy of the compulsory pooling checklist that includes the requested overhead and administrative rates for drilling and producing the wells in this case.

Respectfully submitted,

HOLLAND & HART LLP



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ATTORNEYS FOR REDWOOD OPERATING LLC

# COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

| Case: 23186  | APPLICANT'S RESPONSE   |
|--|--|
| Date   | December 1, 2022   |
| Applicant  | Redwood Operating LLC  |
| Designated Operator & OGRID (affiliation if applicable)  | OGRID No. 330211   |
| Applicant's Counsel:   | Holland & Hart LLP   |
| Case Title:  | APPLICATION OF REDWOOD OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.  |
| Entries of Appearance/Intervenors:   | N/A  |
| Well Family  | Sparkplug  |
| <b>Formation/Pool</b>  |  |
| Formation Name(s) or Vertical Extent:  | Yeso Formation   |
| Primary Product (Oil or Gas):  | Oil  |
| Pooling this vertical extent:  | N/A  |
| Pool Name and Pool Code:   | Red Lake; Glorieta-Yeso (Pool Code: 51120)   |
| Well Location Setback Rules:   | Statewide oil rules  |
| Spacing Unit Size:   | 160 acres  |
| <b>Spacing Unit</b>  |  |
| Type (Horizontal/Vertical)   | Horizontal   |
| Size (Acres)   | 160  |
| Building Blocks:   | 40 acres   |
| Orientation:   | East-West  |
| Description: TRS/County  | N/2 N/2 of Section 17, Township 18 South, Range 27 East, NMPPM, Eddy County, New Mexico.   |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe   | Yes  |
| <b>Other Situations</b>  |  |
| Depth Severance: Y/N. If yes, description  | No   |
| Proximity Tracts: If yes, description  | No   |
| Proximity Defining Well: if yes, description   | N/A  |
| Applicant's Ownership in Each Tract  | See Exhibit C-3  |
| <b>Well(s)</b>   |  |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | <p><b>BEFORE THE OIL CONSERVATION DIVISION</b><br/>           Santa Fe, New Mexico<br/>           Revised Exhibit No. A</p> <p>Submitted by: Redwood Operating LLC<br/>           Hearing Date: December 1, 2022<br/>           Case No. 23186</p> |

|  |  |
|--|--|
| Well #1  | <b>Sparkplug 17 Federal Com #1H well</b><br>SHL: 250' FSL, 710' FWL (Unit M) of Section 9<br>FTP: 330' FNL, 100' FEL (Unit A) of Section 17<br>LTP: 330' FNL, 100' FWL (Unit D) of Section 17<br>BHL: 330' FNL, 1' FWL (Unit D) of Section 17<br>Target: Yeso<br>Orientation: East-West<br>Completion: Standard Location |
| Well #2  | <b>Sparkplug 17 Federal Com #2H well</b><br>SHL: 250' FSL, 730' FWL (Unit M) of Section 9<br>FTP: 660' FNL, 100' FEL (Unit A) of Section 17<br>LTP: 660' FNL, 100' FWL (Unit D) of Section 17<br>BHL: 660' FNL, 1' FWL (Unit D) of Section 17<br>Target: Yeso<br>Orientation: East-West<br>Completion: Standard Location |
| Well #3  | <b>Sparkplug 17 Federal Com #3H well</b><br>SHL: 250' FSL, 750' FWL (Unit M) of Section 9<br>FTP: 990' FNL, 100' FEL (Unit A) of Section 17<br>LTP: 990' FNL, 100' FWL (Unit D) of Section 17<br>BHL: 990' FNL, 1' FWL (Unit D) of Section 17<br>Target: Yeso<br>Orientation: East-West<br>Completion: Standard Location |
| Horizontal Well First and Last Take Points                     | Exhibit C-2  |
| Completion Target (Formation, TVD and MD)                      | Exhibit C-4; Exhibit D, D-4  |
|  |  |
| <b>AFE Capex and Operating Costs</b>                           |  |
| Drilling Supervision/Month \$                                  | Exhibit C-4; \$8,000   |
| Production Supervision/Month \$                                | Exhibit C-4; \$800   |
| Justification for Supervision Costs                            | Exhibit C-4  |
| Requested Risk Charge  | Exhibit C-4  |
| <b>Notice of Hearing</b>                                       |  |
| Proposed Notice of Hearing                                     | Exhibit B  |
| Proof of Mailed Notice of Hearing (20 days before hearing)     | Exhibit E  |
| Proof of Published Notice of Hearing (10 days before hearing)  | Exhibit F  |
| <b>Ownership Determination</b>                                 |  |
| Land Ownership Schematic of the Spacing Unit                   | Exhibit C-3  |
| Tract List (including lease numbers and owners)                | Exhibit C-3  |
| Pooled Parties (including ownership type)                      | Exhibit C-3  |
| Unlocatable Parties to be Pooled                               | N/A  |
| Ownership Depth Severance (including percentage above & below) | N/A  |
| <b>Joinder</b>   |  |

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|--|--|
| Sample Copy of Proposal Letter   | Exhibit C-4  |
| List of Interest Owners (ie Exhibit A of JOA)  | Exhibit C-3  |
| Chronology of Contact with Non-Joined Working Interests  | Exhibit C-5  |
| Overhead Rates In Proposal Letter  | Exhibit C-4  |
| Cost Estimate to Drill and Complete  | Exhibit C-4  |
| Cost Estimate to Equip Well  | Exhibit C-4  |
| Cost Estimate for Production Facilities  | Exhibit C-4  |
| <b>Geology</b>   |  |
| Summary (including special considerations)   | Exhibit D  |
| Spacing Unit Schematic   | Exhibit D-1, D-2   |
| Gunbarrel/Lateral Trajectory Schematic   | N/A  |
| Well Orientation (with rationale)  | Exhibit D  |
| Target Formation   | Exhibit D; D-4   |
| HSU Cross Section  | Exhibit D-4  |
| Depth Severance Discussion   | N/A  |
| <b>Forms, Figures and Tables</b>   |  |
| C-102  | Exhibit C-2  |
| Tracts   | Exhibit C-3  |
| Summary of Interests, Unit Recapitulation (Tracts)   | Exhibit C-3  |
| General Location Map (including basin)   | Exhibit D-1, D-2   |
| Well Bore Location Map   | Exhibit D-1, D-2   |
| Structure Contour Map - Subsea Depth   | Exhibit D-3, D-4   |
| Cross Section Location Map (including wells)   | Exhibit D-4  |
| Cross Section (including Landing Zone)   | Exhibit D-4  |
| <b>Additional Information</b>  |  |
| Special Provisions/Stipulations  | N/A  |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |  |
| <b>Printed Name</b> (Attorney or Party Representative):  | Paula M. Vance   |
| <b>Signed Name</b> (Attorney or Party Representative):   |  |
| <b>Date:</b>   | 7-Dec-22   |