

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

**APPLICATION OF V-F PETROLEUM INC.
FOR A NON-STANDARD HORIZONTAL SPACING UNIT
AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. 23781

PREHEARING STATEMENT

V-F Petroleum Inc. (“V-F Petroleum” or “Applicant”), OGRID No. 24010, through its undersigned attorneys, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division (“Division”).

APPEARANCES

APPLICANT

V-F Petroleum Inc.

ATTORNEY

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APPLICANT’S STATEMENT OF THE CASE

In Case No. 23781, V-F Petroleum seeks an order (1) establishing a non-standard 640-acre, more or less, spacing and proration unit comprised of the S/2 of Section 32 and the S/2 of Section 33, in Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling

all uncommitted mineral interests from a stratigraphic equivalent of 7,062 feet (that being the top of the 3rd Bone Spring formation) in the Travis; Bone Springs formation [Pool Code 97257], to a stratigraphic equivalent of 8,340 feet (that being the base of the 3rd Bone Springs Sand formation), depths as defined on the log for the Man State #001H (API No. 30-015-35282), designated as an oil pool, underlying said 640-acre unit. V-F Petroleum proposes and dedicates to the unit the **Buchanan 33-32 State Com #231H Well** and the **Buchanan 33-32 State Com #232H Well** as initial wells to be drilled to a sufficient depth to test the Bone Spring formation.

V-F Petroleum proposes the **Buchanan 33-32 State Com #231H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 33 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 32.

V-F Petroleum proposes the **Buchanan 33-32 State Com #232H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 33 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 32.

All the wells proposed herein are orthodox in their location, and the take points and completed intervals comply with setback requirements under the statewide rules.

The proposed non-standard HSU would have been a standard unit comprising the S/2 of Section 33 if a proximity well had been utilized; however, optimal spacing does not support the use of proximity well. With the proposed well locations, V-F Petroleum will be able to reduce surface and facility costs thus preventing waste. V-F Petroleum will apply with the Division for administrative approval of the non-standard unit.

APPLICANT’S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Sean Johnson	Approx. 10 min	Approx. 6
Geologist: Jason Lodge	Approx. 10 min	Approx. 4

PROCEDURAL MATTERS

V-F Petroleum requests that, for purposes of the hearings, Case No. 23780 be consolidated with Case No. 23781 as they involve units within the same sections. As of the filing of this Pre-hearing Statement, no parties have made an entry of appearance or filed a protest or objection, and V-F Petroleum does not anticipate any at this time; consequently, V-F Petroleum plans to conduct the hearing by affidavit.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 270260

QUESTIONS

Operator: V-F PETROLEUM INC P.O. Box 1889 Midland, TX 79702	OGRID: 24010
	Action Number: 270260
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	2
Testimony time (in minutes)	20