

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

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

Case No. 23728

UPDATED 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.

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INTERESTED PARTIES

Permian Resources Operating, LLC

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APPLICANT’S STATEMENT OF THE CASE

In Case No. 23728, V-F Petroleum seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 324.84-acre, more or less, spacing and proration unit comprised of Lots 1 through 4 (N/2 N/2 equivalent) of Sections 4 and 5, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. V-F Petroleum proposes and dedicates to the unit the **Courtman 4 State Com #222H Well** and the **Courtman 4 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 **Courtman 4 State Com #222H Well**, an oil well, to be horizontally drilled from a surface location in Lot 1 (NE/4 NE/4 equivalent) of Section 4 to a bottom hole location in Lot 4 (NW/4 NW/4 equivalent) of Section 5.

V-F Petroleum proposes the **Courtman 4 State Com #232H Well**, an oil well, to be horizontally drilled from a surface location in Lot 1 (NE/4 NE/4 equivalent) of Section 4 to a bottom hole location in Lot 4 (NW/4 NW/4 equivalent) of Section 5.

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.

APPLICANT’S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Sean Johnson See Landman Statement Exhibit A for credentials	Approx. 30 min	Approx. 6

Geologist: Jason Lodge
See Geology Statement Exhibit B for credentials

Approx. 30 min

Approx. 5

PROCEDURAL MATTERS

Permian Resources Operating, LLC (“Permian Resources”) made an entry of appearance in this case and objected to the case going forward by affidavit. Consequently, the Division set a hearing date for October 19, 2023, pursuant to the Pre-hearing Order dated September 7, 2023. Witnesses will be available at the time of the hearing to address questions.

MATERIAL FACTS NOT IN DISPUTE

1. V-F Petroleum is a majority Working Interest (“WI”) owner in the proposed unit with individual ownership of 57.7% interest in the unit. *See* Unit Recapitulation in V-F Petroleum’s Exhibit A-2, included in the Hearing Packet. With owners supporting V-F Petroleum through JOA Joinder, V-F Petroleum controls approximately 64.6% interest in the proposed unit. *See id.*

2. V-F Petroleum has experience as an operator drilling horizontal wells comparable to the Courtman 4 State Com #222H and #232H Wells in this general area of development.

3. V-F Petroleum’s witnesses have been recognized as expert witnesses by the Division, and their credentials have been accepted as a matter of record.

4. The laydown orientation is the preferred orientation of the proposed unit given the nature of the geology.

LIST OF DISPUTED FACTS AND ISSUES

Relevant disputed facts and issues were addressed and ruled on by the Division at the Status Conference held on October 5, 2023, which allowed V-F Petroleum to go forward with the hearing

of its application for compulsory pooling on October 19, 2023. V-F Petroleum is not aware of additional disputed facts and/or issues besides those previously addressed.

Respectfully submitted,

ABADIE & SCHILL, PC

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Attorneys for V-F Petroleum Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on October 12, 2023:

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QUESTIONS

Action 275140

QUESTIONS

Operator: V-F PETROLEUM INC P.O. Box 1889 Midland, TX 79702	OGRID: 24010
	Action Number: 275140
	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)	60