

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

**APPLICATION OF CONOCOPHILLIPS COMPANY
FOR APPROVAL OF A NON-STANDARD SPACING
UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

ConocoPhillips Company (“COPC”) (“ConocoPhillips” or “Applicant”) (OGRID No. 217817), through its undersigned attorneys, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (a) approving a non-standard 942.88-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying Lots 1-4, E/2 W/2 and E/2 (All equivalent) of irregular Section 30 and Lots 1-5, NE/4 NW/4 and N/2 NE/4 (All equivalent) of irregular Section 31, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) pooling the uncommitted interest owners in this acreage. In support of this application, ConocoPhillips states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed following wells:

- **Lil John Fed Com 701H**, to be drilled from a surface location in the NW/4 NE/4 (Unit B) of irregular Section 30, a first take point in the NE/4 NE/4 (Unit A) of irregular Section 30, and a last take point in Lot 5 (SE/4 NE/4 equivalent) of irregular Section 31;

- **Lil John Fed Com 702H**, to be drilled from a surface location in the NW/4 NE/4 (Unit B) of irregular Section 30, a first take point in the NE/4 NE/4 (Unit A) of irregular Section 30, and a last take point in Lot 5 (SE/4 NE/4 equivalent) of irregular Section 31;
- **Lil John Fed Com 703H**, to be drilled from a surface location in the NW/4 NE/4 (Unit B) of irregular Section 30, a first take point in the NW/4 NE/4 (Unit B) of irregular Section 30, and a last take point in Lot 4 (SW/4 NE/4 equivalent) of irregular Section 31;
- **Lil John Fed Com 704H**, to be drilled from a surface location in the NW/4 NE/4 (Unit B) of irregular Section 30, a first take point in the NW/4 NE/4 (Unit B) of irregular Section 30, and a last take point in Lot 4 (SW/4 NE/4 equivalent) of irregular Section 31;
- **Lil John Fed Com 707H**, to be drilled from a surface location in the NE/4 NW/4 (Unit C) of irregular Section 30, a first take point in the NE/4 NW/4 (Unit C) of irregular Section 30, and a last take point in Lot 3 (SE/4 NW/4 equivalent) of irregular Section 31;
- **Lil John Fed Com 708H**, to be drilled from a surface location in the NE/4 NW/4 (Unit C) of irregular Section 30, a first take point in the NW/4 NE/4 (Unit B) of irregular Section 30, and a last take point in Lot 4 (SW/4 NE/4 equivalent) of irregular Section 31;
- **Lil John Fed Com 709H**, to be drilled from a surface location in the NE/4 NW/4 (Unit C) of irregular Section 30, a first take point in the NE/4 NW/4 (Unit C) of irregular Section 30, and a last take point in Lot 3 (SE/4 NW/4 equivalent) of irregular Section 31;
- **Lil John Fed Com 710H**, to be drilled from a surface location in the NE/4 NW/4 (Unit C) of irregular Section 30, a first take point in the NE/4 NW/4 (Unit C) of irregular Section 30, and a last take point in Lot 3 (SE/4 NW/4 equivalent) of irregular Section 31;
- **Lil John Fed Com 711H**, to be drilled from a surface location in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 30, a first take point in Lot 1 (NW/4 NW/4 equivalent) of

irregular Section 30, and a last take point in Lot 2 (SW/4 NW/4 equivalent) of irregular Section 31; and

- **Lil John Fed Com 712H**, to be drilled from a surface location in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 30, a first take point in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 30, and a last take point in Lot 2 (SW/4 NW/4 equivalent) of irregular Section 31.

3. Approval of a non-standard unit will allow Applicant to efficiently locate surface facilities for the recovery of oil and gas underlying the subject lands, reduce surface disturbance, lower operating costs and allow for efficient well spacing.

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

5. Approval of this non-standard horizontal well spacing unit and the pooling of interests therein will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, 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 March 26, 2026, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed non-standard horizontal well spacing unit and pooling the uncommitted interest owners therein;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;

- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;
- D. 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
- E. Imposing a 200% charge 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,

HOLLAND & HART LLP

By: 
Adam G. Rankin
Paula M. Vance
A. Raylee Starnes
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
agrakin@hollandhart.com
pmvance@hollandhart.com
arstarnes@hollandhart.com

ATTORNEYS FOR CONOCOPHILLIPS COMPANY

CASE _____:

Application of ConocoPhillips Company for Approval of a Non-Standard Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a non-standard 942.88-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying Lots 1-4, E/2 W/2 and E/2 (All equivalent) of irregular Section 30 and Lots 1-5, NE/4 NW/4 and N/2 NE/4 (All equivalent) of irregular Section 31, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) pooling the uncommitted interest owners in this acreage. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the following wells:

- **Lil John Fed Com 701H**, to be drilled from a surface location in the NW/4 NE/4 (Unit B) of irregular Section 30, a first take point in the NE/4 NE/4 (Unit A) of irregular Section 30, and a last take point in Lot 5 (SE/4 NE/4 equivalent) of irregular Section 31;
- **Lil John Fed Com 702H**, to be drilled from a surface location in the NW/4 NE/4 (Unit B) of irregular Section 30, a first take point in the NE/4 NE/4 (Unit A) of irregular Section 30, and a last take point in Lot 5 (SE/4 NE/4 equivalent) of irregular Section 31;
- **Lil John Fed Com 703H**, to be drilled from a surface location in the NW/4 NE/4 (Unit B) of irregular Section 30, a first take point in the NW/4 NE/4 (Unit B) of irregular Section 30, and a last take point in Lot 4 (SW/4 NE/4 equivalent) of irregular Section 31;
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- **Lil John Fed Com 707H**, to be drilled from a surface location in the NE/4 NW/4 (Unit C) of irregular Section 30, a first take point in the NE/4 NW/4 (Unit C) of irregular Section 30, and a last take point in Lot 3 (SE/4 NW/4 equivalent) of irregular Section 31;
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Lot 1 (NW/4 NW/4 equivalent) of irregular Section 30, and a last take point in Lot 2 (SW/4 NW/4 equivalent) of irregular Section 31; and

- **Lil John Fed Com 712H**, to be drilled from a surface location in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 30, a first take point in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 30, and a last take point in Lot 2 (SW/4 NW/4 equivalent) of irregular Section 31.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the wells, and a 200% charge for risk involved in drilling the wells. The subject area is located approximately 25 miles southwest of Jal, New Mexico.