

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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION TO
CONSIDER:**

**CASE NO. 20667
ORDER NO. R-20823**

**APPLICATION OF IMPETRO OIL & GAS, LLC FOR COMPULSORY POOLING, LEA
COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on August 22, 2019, at Santa Fe, New Mexico, before Examiner Michael A. McMillan.

NOW, on this 30th day of August 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

(1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.

(2) Impetro Oil & Gas, LLC (Applicant) in its Application requested that the following wells be dedicated to the W/2 of Section 18 and W/2 of Section 19, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico (horizontal spacing unit) in the Wolfcamp formation, Jal; Wolfcamp, West Pool (Pool code 33813).

1. Blue Marlin Federal Com Well No. 1H (30-025-Pending)
2. Blue Marlin Federal Com Well No. 2H (30-025-Pending)
3. Blue Marlin Federal Com Well No. 3H (30-025-Pending)
4. Blue Marlin Federal Com Well No. 4H (30-025-Pending)

(3) ConocoPhillips Company entered an appearance. No other party appeared or otherwise opposed this application.

(4) Applicant appeared at the hearing through counsel and presented evidence to the effect that:

- (a) Applicant stated that the horizontal spacing unit will be comprised of both the Wolfcamp formation and the Bone Spring formation.
- (b) Applicant only provided an Authority for Expenditure (AFE) for one of the Wolfcamp tests and not for the Bone Spring formation.

The Division Finds

(5) The Division cannot approve a compulsory pooling which contains two distinct Division designated pools that are **separated vertically**. In this case, the Applicant requested that the Bone Spring Pool be pooled with the Wolfcamp Pool in the same spacing unit.

- (6) Applicant should have provided an AFE for each of the wells.
- (7) The Application should be dismissed.

IT IS THEREFORE ORDERED THAT

- (1) The application of Impetro Oil & Gas, LLC is hereby dismissed without prejudice.
- (2) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL
Director