

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

**APPLICATION OF RIDGE RUNNER RESOURCES  
OPERATING, LLC FOR COMPULSORY POOLING,  
NON-STANDARD SPACING AND PRORATION UNIT,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO.** \_\_\_\_\_

**APPLICATION FOR COMPULSORY POOLING, AND NON-STANDARD  
SPACING AND PRORATION UNIT**

RIDGE RUNNER RESOURCES OPERATING, LLC applies for an order pooling all mineral interests within the Purple Sage Wolfcamp Pool (Pool Code 98220) and Culebra Bone Spring South Pool (Pool Code 15011), respectively, as to the proposed oil and gas wells listed below, underlying Section 27, Township 22 South, Range 28 East, NMPM and Section 26, Township 22 South, Range 35 East, NMPM, Eddy County, New Mexico. In support of this application, Applicant states:

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

2. Applicant seeks to dedicate the above referenced horizontal spacing units to the following four initial wells:

A. The proposed **Warlord 2726 Fed Com W #1H** to be horizontally drilled to a depth sufficient to test the Wolfcamp B interval of the Purple Sage Wolfcamp Pool from an orthodox SHL 330' FNL & 100' FWL, being in Unit letter D of Section 27 and a BHL 330' FNL & 100' FEL of Section 26, T22S, R28E in Unit letter A of Section 26;

B. The proposed **Warlord 2726 Fed Com W #2H** to be horizontally drilled to a depth sufficient to test the Wolfcamp XY interval of the Purple Sage Wolfcamp Pool from an orthodox SHL 330' FSL & 100' FWL, being in Unit L of Section 27 and a BHL 330' FSL & 100' FEL of Section 26, T22S, R28E in Unit P of Section 26;

C. The proposed **Warlord 2726 Fed Com B #1H** to be horizontally drilled to a depth sufficient to test the 3<sup>rd</sup> Bone Spring Sand of the Culebra Bluff Bone Spring Pool South from an orthodox SHL360' FNL &100' FWL of Section 27, T22S, R28E being in Unit letter D of Section 27 and the BHL 330' FNL & 100' FEL of Section 26, T22S, R28E in unit letter A of Section 26;

D. The proposed **Warlord 2726 Fed Com B #2H** to be horizontally drilled to a depth sufficient to test the 3<sup>rd</sup> Bone Spring Sand of the Culebra Bluff Bone Spring Pool South from an orthodox SHL 1980' FNL & 100' FWL of Section 27, T22S, R28E being in Unit letter E of Section 27 and the BHL 1980' FNL & 100' FEL of Section 26, T22S, R28E in unit letter H of Section 26;

E. The proposed **Warlord 2726 Fed Com B #3H** to be horizontally drilled to a depth sufficient to test the 3<sup>rd</sup> Bone Spring Sand of the Culebra Bluff Bone Spring Pool South from an orthodox SHL 1980' FSL & 100' FWL of Section 27, T22S, R28E being in Unit letter L of Section 27 and the BHL 1980' FSL & 100' FEL of Section 26, T22S, R28E in Unit letter I of Section 26;

F. The proposed **Warlord 2726 Fed Com B #4H** to be horizontally drilled to a depth sufficient to test the Bone Spring Break and of the of the Culebra Bluff Bone Spring Pool South from an orthodox SHL 360' FSL & 100' FWL of Section 27, T22S, R28E being in Unit letter M of Section 27 and the BHL 330' FSL & 100' FEL of Section 26, T22S, R28E in Unit letter P of Section 26.

3. Because the proposed wells will be continuously drilled and completed, Applicant requests an extension of the time period to drill and complete the proposed wells from 120 days to 365 days.

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

5. The requested pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing units should be pooled and Applicant should be designated the operator of these proposed horizontal wells and the proposed spacing units.

**WHEREFORE,** Applicant, requests after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted interests in this horizontal spacing units;
- B. Approving four initial horizontal wells in this spacing units;
- C. Authorizing an extension of the 120-day requirement to drill and complete the initial wells on this horizontal spacing units;
- D. Designating Applicant operator of this spacing units and the horizontal wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the wells;
- F. Approving the actual operating charges and costs of supervision while drilling and after completing, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Imposing a 200% charge for 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.

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