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

APPLICATION OF ONEENERGY PARTNERS OPERATING, LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.
APPLICATION OF ONEENERGY PARTNERS OPERATING, LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NOS. 15758 and 15759

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MOTION TO STAY

OneEnergy Partners Operating, LLC ("OEP" or Applicant") moves for an order staying two Applications for Permits to Drill (APDs) that were filed by V-F Petroleum, Inc. and approved by the Oil Conservation Division's District Office. OEP and V-F Petroleum, Inc. have competing development plans for the W/2 of Section 1, as set forth below. OEP requests that the Division stay V-F Petroleum's APDs covering the W/2 of Section 1 pending the Division's ruling on Case Nos. 15758 and 15759. In support of this motion, OEP states as follows:

- 1. On June 20, 2017, OneEnergy Partners Operating, LLC filed two applications for hearing with the Oil Conservation Division:
 - Case No. 15758: Requesting formation of a non-standard spacing and proration unit comprised of the W/2 W/2 of Section 1 and the W/2 W/2 of Section 12, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, to be dedicated to the Lobo Rojo B3 State Com No. 1H Well, and seeking approval to compulsory pool the Bone Spring formation; and

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 Case No. 15759: Requesting formation of a non-standard spacing and proration unit comprised of the E/2 W/2 of Section 1 and the E/2 W/2 of Section, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, to be dedicated to the Lobo Rojo B3 State Com No. 2H Well.

These cases were originally to be heard by the Oil Conservation Division on the July 20, 2017 Examiner hearing docket.

2. V-F Petroleum, Inc., along with Fuel Products, Inc., Gahr Energy Company, Ameristate Partners LLC, Ameristate Energy LLC, HFLP E&P LLC, Thomas M. Beall, Jerry M. Gahr, Marcus Wayne Luna, Sandra K. Lawlis, Clifford N. Hair, and Mark K. Nearburg, requested a continuance on July 11, 2017. OEP agreed to a continuance and the hearing was moved to August 17, 2017.

3. On July 12, 2017, <u>after OEP's pooling application was filed</u>, the Oil Conservation Division's District Office approved APDs filed by V-F Petroleum, Inc. for the Getty 1 State No. 2H (API No. 30-025-43896), covering the W/2 W/2 of Section 1, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and the Getty 1 State No. 3H (API No. 30-025-43987), covering the E/2 W/2 of Section 1, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. *See* <u>Attachment A.</u>

4. OEP and V-F Petroleum have competing development plans for the operation of the Bone Spring formation in W/2 of Section 1.

5. At hearing on August 17, 2017, OEP will present evidence that development of Section 1 with two-mile laterals is the most effective plan to prevent waste.

6. OEP will also present evidence that drilling of V-F Petroleum's proposed Getty 1 State No. 2H and Getty 1 State No. 3H wells, if allowed, will directly interfere with OEP's proposed wells.

7. If V-F Petroleum is allowed to drill its proposed wells before this matter is resolved, the wells will cause waste and permanently violate OEP's correlative rights.

8. For these reasons, OEP respectfully requests that the Division stay the two APDs approved by the Division's District Office for the Getty 1 State No. 2H (API No. 30-025-43896) and the Getty 1 State No. 3H (API No. 30-025-43987) pending a final decision for Case Nos. 15758 and 15759.

Respectfully submitted,

HOLLAND & HART LLP

Michael H. Feldewert Jordan L. Kessler Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421 (505) 983-6043 Facsimile mfeldewert@hollandhart.com jlkessler@hollandhart.com

ATTORNEYS FOR ONEENERGY PARTNERS OPERATING, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Motion to Stay was delivered electronically on this 14th day of August, 2017 to the following:

James Bruce, Esq. PO Box 1056 Santa Fe, NM 87504 (505) 982-2043 jamesbruc@aol.com

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Kessler

DISTRICT1 1625 N French Ur, Hobbs, NM 88240 Phone (575) 393-0161 Fax (575) 391-0720 DISTRICT1 811 S First St., Artesia, NM 88210 Phone, (573) 748-1283 Fax (575) 748-9720 DISTRICT111 1000 Rio Brators Read, Artec, NM 87410 Phone (505) 334-6178 Fax (505) 334-6170 DISTRICT1V DISTRICT1V 1220 S IF Francis Dr., Santa Fc, NM 87505 Phone (505) 476-3460 Fax (505) 476-1462

GRID AZ.=359'40'03"

HORIZ. DIST. - 4700.7

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S.L.

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

DAMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

A	- 1	Pool Cude Pool Name								
70-026-43896			28435			Grama Ridge; Bone Spring, NE				
Property Code			Property Name Well Number							
40081			GETTY 1 STATE						2H	
OGRID No				Operator Name					Elevation	
24010				V-F Petroleum Inc.					3573'	
					Surface Lo	ocation		· · · · · · · · · · · · · · · · · · ·		
UL of lot No Section Townshi		Township	Range	Range Lotidn Fee		e North/South line	Feet from the	East/West line	County	
М	1	22-S	34-E	330		SOUTH	330	WEST	LEA	
				Bottom Hol	c Location If I	Different From Surface				
UL or lot No.	Section	Township	Range	Lot Idn Feet from		e North/South line	Feet from the	East/West line	County	
4	1	22-S	34-E		330	NORTH	330	WEST	LEA	
Dedicated Acres	Joint of	Infill C	Consolidation C	Code Ord	cr No.	A	L	A		
162.42										
			MULTION ID		DECTS UAVE DE	EN CONSOLIDATED OR A N		UAS DEEN ABOROME		
								NAS BEEN AFFROVE		
LOT 4	81	LOT	3 1	L01 2		LOT 1		TOO OFFICIA		
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			BOTIOM HOLE LOCATION Y=520296.8 N X=778564.0 E LAT.=32.427174* N LONG.=103.430530* W		E LOCATION 96.8 N	BOITOM HOLE LOCATION Y=520357.8 N X=819747.1 E	v unleased mines proposed botto	that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location purmant to a contract with an aware		
					27174 N	LAT.= 32,427298' N of such mineral or LONG.= 103.431009' W pooling agreemen		ctul or working interest, or commuters or a compulsory p	or to a voluntary	
42.42 AC. 42.43		42.49	AC.	42.5	7 AC.	42.64 AC.	Deceto Sorre ca	beretaline catared by the division.		

CORNER COORDINATES TABLE NAD 27 NME

A - Y=520623.4 N, X=778232.2 E

CORNER COORDINATES TABLE

NAD 83 NME

 $\begin{array}{rcl} A & - & Y = 520684.4 & N, X = 819415.3 & E \\ B & - & Y = 520697.8 & N, X = 820735.0 & E \\ C & - & Y = 515325.1 & N, X = 819446.3 & E \\ D & - & Y = 515337.0 & N, X = 820766.5 & E \\ \end{array}$

GEODETIC COORDINATES | GEODETIC COORDINATES

NAD 83 NME SURFACE LOCATION

Y=515658.1 N

X=819774.4 E

LAT.=32.414380" N

LONC. = 103.431050" W

NAD 27 NME SURFACE LOCATION

Y=515597.2 N

x=778591.2 E

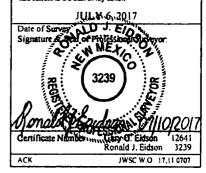
LAT.=32.414256" N

LONG. = 103.430570' W

7/10/17 6 Signature/ Date Eric Sprinkle Printed Name

eric@vfpetroleum.com E-mail Address

SURVEYOR CERTIFICATION I bereby certify that the well location shown as this plas was plotted from fields actes of actual surveys made by one or under my supervision, and that the same is true and connect to the best of my belief.



<u>DISTRICT1</u> 1625 N. French Dr. Hobbs. NNI 88240 Plane (373) 391-6101 Fax (573) 193-0720 <u>DISTRICT II</u> 811 S. Fex N1, Artesia, NM 88210 Phone (373) 748-1283 Fax (375) 745 9720 <u>DISTRICT III</u> 1003 Ruo Brautov Road, Azec. NNI 87410 Phone (305) 334-6178 Fax (365) 134-6170 <u>DISTRICT IV</u> 1220 S. S. Francis Dr., Santa Fe, NM 87505 Phone (305) 476-3460 Fax (305) 476-1462

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Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office i

CAMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-026-49987			Pool Code Pool Name								
30-021	5-43	98/		28435		Gram	a Ridge;	Bone	Spring	, NE	
Property C	ode		Property Name GETTY 1 STATE					Well Number 3H			
OGRID No.				Operator Name						Elevation	
24010		V-F Petroleum Inc. 35							3554'		
Surface Location											
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Eas	/West line	County	
N	1	22-S	34-E		330	SOUTH	2310	V	VEST	LEA	
			·····	Bottom Hol	e Location If Diff	erent From Surface					
UL or lot No.	Section	l'ownship	Range	Lot Idn	Feet from the	North/South line	Feet from the	Eas	t/West line	County	
3	t	22-S	34-E		330	NORTH	2310	\	VEST	LEA	
Dedicated Acres	Joint or	Lofill C	Consolidation Co	nde Ord	er No.	<u> </u>					
162.49				l							

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

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1A B.H.	ີຊື່	42.57 AC	42.64 AC.	OPERATOR CERTIFICATION
2510	-, ,		1	I have by certify that the information berein is true and
2310 +		GEODETIC COORDINATES	GEODETIC COORDINATES	complete to the best of my knowledge and belief, and
	1	NAD 27 NWE	NAD 83 NME	that this organization either owns a working interest or
1 1	,	BOTTON HOLE LOCATION	BOTTOM HOLE LOCATION	unleased mineral interest in the land including the
	:	Y=520316.7 N X=780543.5 E	Y=520377.8 N X=821726.6 E	proposed bottom hale location or has a right to drill this
		LAT = 32.427183" N	LAT.= 32.42/307" N	well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary
	ł	LCNG = 103.424114' W	LONG.=103.424594" W	pooling agreement or a computery pooling order
LOI 4 LOI 3 42.42 AC. 42.49 AC.	I		,	barctofore catered by the division.
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				S. S. M. Junio
		CORNER COORI NAD 2		7/10/17
		A + Y=520636.7		Signature Date
	ţ	8 - Y=520650.0		Eric Sprinkle
		C - Y=515276 1	N, X=779583.2 F	Printed Name
		D - Y=515288.0	N, X=780903.3 E	
GRID AZ. = 359'40'02"			,	eric@vfpetroleum.com
HORIZ, DIST.=4702.9				E-mail Address
└─────`				
í I I				SURVEYOR CERTIFICATION
1	,	CORNER COORL		I bareby certify that the well location shown on this plat
	i	NAD 8. A - Y=520697.8		was plotted from field notes of actual surveys made by
j , 1	1	B - Y=520037.8		the or under my supervision, and that the same is true
		C - Y=515337.0		and correct to the best of my belief.
[, I	1	D - Y=515348.9	N, X=822086.6 E	JULX 6, 2017
	1		1	Date of Survey DJ J. Elo
1	i		i	Circles Colling Miles M.D. J.
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, I	ł	GEODETIC COORDINATES	GEODETIC COORDINATES	
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	,	SURFACE LOCATION	SURFACE LOCATION	1 1243.0
	Í	Y=515615.0 N	Y=515675.9 N	Unale Cardon OTHODO
		x=780570.7 E	X=821753.9 E	Certuficate Nambersmundianed Eidson 12641
	. 1	LAT.=32.414259" N	LAT.=32.414385 N	Ronald J. Erdson 3239
	ຊູ	LONG = 103.424156' W	LONC.=103.424635' W	ACK JWSC W 0 17 11 0706
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