

**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.**

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CASE NOS. 15758 and 15759

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

- 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, after OEP's pooling application was filed, 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 **Attachment A**.

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.

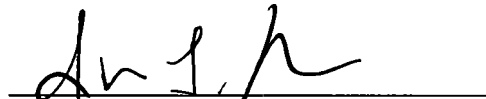
6. OEP will also present evidence that drilling of V-F Petroleum's proposed Getty 1 State No. 2H and Getty 1 State No. 3H wells, if allowed, will directly interfere with OEP's proposed wells.

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



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**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

A handwritten signature in black ink, appearing to read "J. L. Kessler", is written over a horizontal line.

Jordan L. Kessler

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1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720

DISTRICT II
811 S First St., Artesia, NM 88210
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DISTRICT III
1000 Rio Brazos Road, Artesia, NM 87410
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1220 S St. Francis Dr., Santa Fe, NM 87505
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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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-024-47896	Pool Code 28435	Pool Name Grama Ridge; Bone Spring, NE
Property Code 40081	Property Name GETTY 1 STATE	Well Number 2H
GRID No 24010	Operator Name V-F Petroleum Inc.	Elevation 3573'

Surface Location

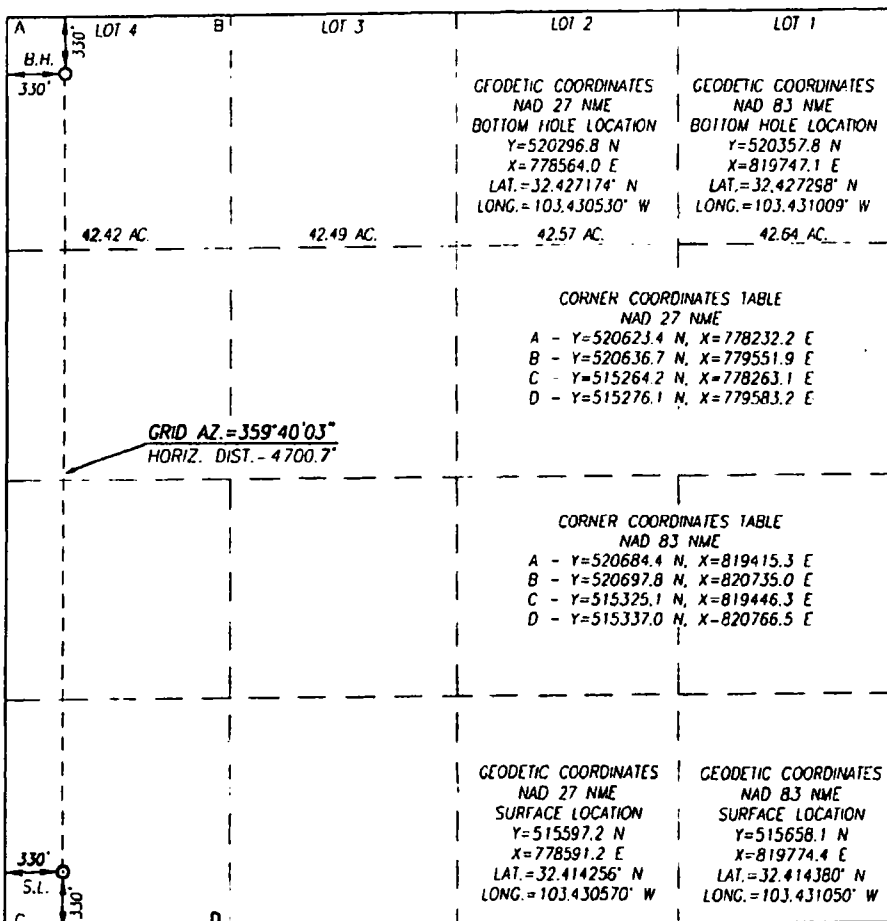
UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	1	22-S	34-E		330	SOUTH	330	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	1	22-S	34-E		330	NORTH	330	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
162.42			

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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and 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 pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Eric Sprinkle 7/10/17
Signature Date

Printed Name

eric@vfpetroleum.com

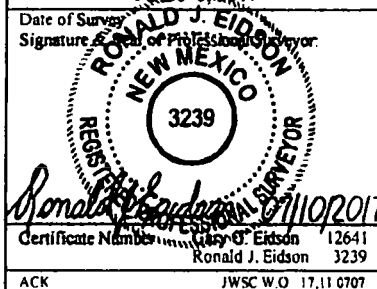
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JUL 16, 2017

Date of Survey
Signature of Professional Surveyor



ACK

JWSC W.O. 17.11 0707

DISTRICT I
1625 N French Dr. Hobbs NM 88240
Phone (575) 391-6161 Fax (575) 193-0720

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Santa Fe, New Mexico 87505

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CAMFENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-024-49987	Pool Code 28435	Pool Name Gramma Ridge; Bone Spring, NE
Property Code	Property Name GETTY 1 STATE	Well Number 3H
OGRID No. 24010	Operator Name V-F Petroleum Inc.	Elevation 3554'

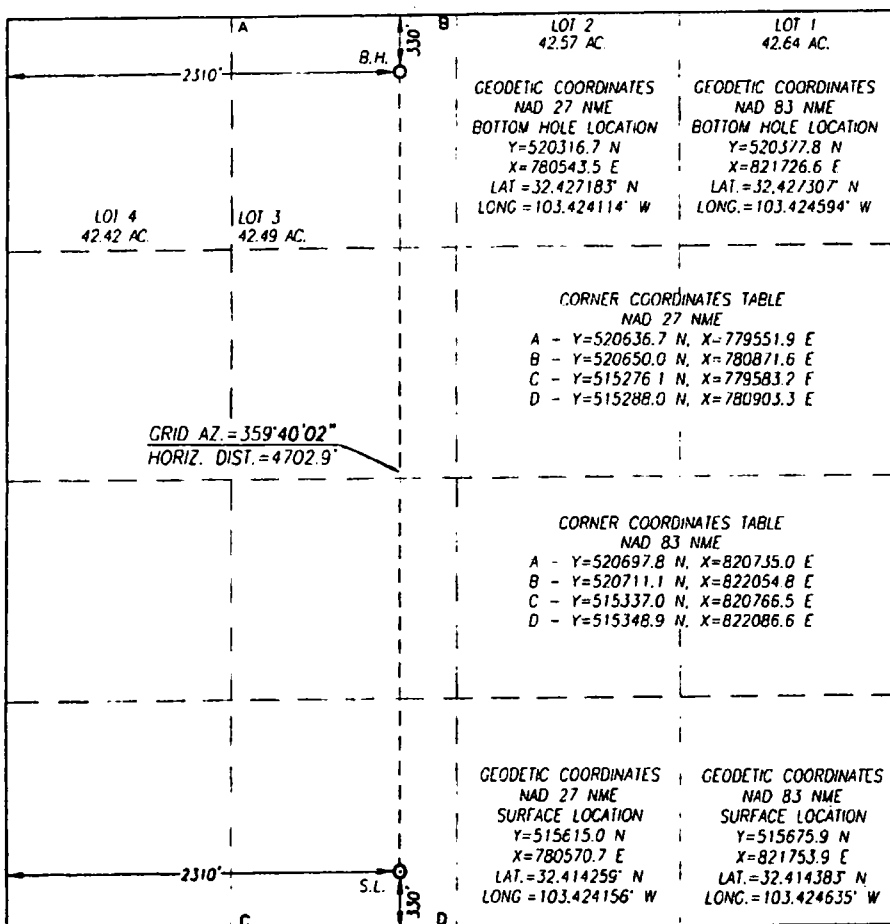
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	I	22-S	34-E		330	SOUTH	2310	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	I	22-S	34-E		330	NORTH	2310	WEST	LEA
Dedicated Acres 162.49	Joint or Infill	Consolidation Code	Order No.						

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Eric Sprinkle 7/10/17
Signature Date

Eric Sprinkle

Printed Name

eric@vfpetroleum.com

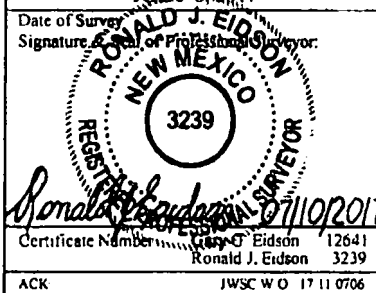
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JUL 10 2017

Date of Survey
Signature of Professional Surveyor



ACK

JWSC W/O 17 11 0706