

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

**APPLICATION OF RIDGEWAY ARIZONA OIL
CORPORATION COMPANY FOR COMPULSORY
POOLING, ~~LEA~~ COUNTY, NEW MEXICO**

ROOSEVELT

Case No. 20507

APPLICATION

Pursuant to NMSA § 70-2-17, Ridgeway Arizona Oil Corporation ("Ridgeway") applies for an order pooling all uncommitted mineral interests in the San Andres formation in a standard 240-acre horizontal spacing unit comprised of the NE/4 NW/4 of Section 16, the E/2 W/2 of Section 9, and the SE/4 SW/4 of Section 4, Township 6 South, Range 34 East in Roosevelt County, New Mexico. In support of its Application, Roosevelt states:

1. Ridgeway (OGRID No. 164557) is a working interest owner in the NE/4 NW/4 of Section 16, the E/2 W/2 of Section 9, and the SE/4 SW/4 of Section 4 and has the right to drill a well thereon.
2. The proposed horizontal spacing unit will be dedicated to Ridgeway's Morrison San Andres Unit #942H well, which will be horizontally drilled from a surface location in Unit C in Section 16 to a bottom hole location in Lot 3 in Section 4.
3. The completed interval for the well will be orthodox.
4. Ridgeway has undertaken diligent, good-faith efforts to obtain voluntary agreements from all uncommitted mineral interest owners to participate in the drilling of the well, but has been unable to obtain voluntary agreements from all of the uncommitted mineral interest owners.
5. The pooling of those uncommitted mineral interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to allow Ridgeway to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the horizontal spacing unit should be pooled.

WHEREFORE, Ridgeway requests that this application be set for hearing on June 13, 2019 and that, after notice and hearing, the Division enter an order:

A. Pooling all uncommitted mineral interests in the San Andres formation in the NE/4 NW/4 of Section 16, the E/2 W/2 of Section 9, and the SE/4 SW/4 of Section 4;


B. Designating Ridgeway as the operator of the Morrison San Andres Unit #942H well;

C. Authorizing Ridgeway to recover its costs of drilling, equipping, and completing the Morrison San Andres Unit #942H well and allocating the costs among the well's working interest owners;

D. Approving the actual operating charges and costs of supervision during drilling and after completion, together with a provision for adjusting the rates pursuant to the COPAS accounting procedure; and

E. Imposing a 200% penalty for the risk assumed by Ridgeway in drilling and completing the Morrison San Andres Unit #942H well against any mineral interest owner who does not voluntarily participate in the drilling of the well.

HINKLE SHANOR LLP



Gary W. Larson
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
glarson@hinklelawfirm.com

Counsel for Ridgeway Arizona Oil Corporation

PROPOSED NOTICE

Case No. 20507 : Application of Ridgeway Arizona Oil Corporation for compulsory pooling, ^{Roosevelt} ~~Lea~~ County, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests in the San Andres formation in a standard 240-acre horizontal spacing unit comprised of the NE/4 NW/4 of Section 16, the E/2 W/2 of Section 9, and the SE/4 SW/4 of Section 4, Township 6 South, Range 34 East in Roosevelt County. The horizontal spacing unit will be dedicated to the proposed Morrison San Andres Unit #⁸⁴²~~924~~H well, which will be horizontally drilled from a surface location in Unit C in Section 16 to a bottom hole location in Lot 3 in Section 4, Township 6 South, Range 34 East. The completed interval for the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of Ridgeway Arizona Oil Corporation as the operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The location of the well is approximately eight (8) miles southwest of Dora, New Mexico.