

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

**APPLICATION OF LONGFELLOW ENERGY, LP
FOR COMPULSORY POOLING AND FOR APPROVAL OF
A NON-STANDARD LOCATION,
EDDY COUNTY, NEW MEXICO**

Case No. _____

APPLICATION

Longfellow Energy, LP (“Longfellow”), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Yeso formation (Artesia; Glorieta-Yeso [96830]) in a standard 320-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the S/2 of Section 20, Township 17 South, Range 28 East, NMPM, in Eddy County, New Mexico. In support of its application, Longfellow states as follows:

1. Longfellow is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Longfellow proposes to drill the following 1-mile wells in the proposed HSU:
 - **Santana State Com 20CD 001H** well, to be horizontally drilled from an approximate surface hole location 1295’ FSL and 200’ FWL of Section 21, T17S-R28E, to an approximate bottom hole location 2301’ FSL and 100’ FWL of Section 20, T17S-R28E.
 - **Santana State Com 20CD 002H** well, to be horizontally drilled from an approximate surface hole location 1270’ FSL and 200’ FWL of Section 21, T17S-

R28E, to an approximate bottom hole location 1851' FSL and 100' FWL of Section 20, T17S-R28E.

- **Santana State Com 20CD 003H** well, to be horizontally drilled from an approximate surface hole location 1245' FSL and 200' FWL of Section 21, T17S-R28E, to an approximate bottom hole location 1401' FSL and 100' FWL of Section 20, T17S-R28E.
- **Santana State Com 20CD 004H** well, to be horizontally drilled from an approximate surface hole location 1220' FSL and 200' FWL of Section 21, T17S-R28E, to an approximate bottom hole location 1005' FSL and 100' FWL of Section 20, T17S-R28E.
- **Santana State Com 20CD 005H** well, to be horizontally drilled from an approximate surface hole location 1195' FSL and 200' FWL of Section 21, T17S-R28E, to an approximate bottom hole location 610' FSL and 100' FWL of Section 20, T17S-R28E.
- **Santana State Com 20CD 006H** well, to be horizontally drilled from an approximate surface hole location 1170' FSL and 200' FWL of Section 21, T17S-R28E, to an approximate bottom hole location 214' FSL and 100' FWL of Section 20, T17S-R28E.

3. The completed intervals and first and last take points for all wells except the Santana State Com 20CD 006H will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Applicant requests approval of an unorthodox location for the Santana State Com 20CD 006H because the completed interval is closer than 330' from the outer boundary of the HSU.

4. Longfellow has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

5. Approval of the HSU and the pooling of all mineral interest owners in the Yeso formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to permit Longfellow to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Longfellow should be designated the operator of the HSU.

WHEREFORE, Longfellow requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 8, 2021, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 320-acre, more or less, HSU comprised of the S/2 of Section 20, Township 17 South, Range 28 East, NMPM, in Eddy County, New Mexico;

B. Pooling all mineral interests in the Yeso formation underlying the HSU;

C. Allowing the drilling of the following 1-mile wells in the HSU: (1) Santana State Com 20CD 001H, (2) Santana State Com 20CD 002H, (3) Santana State Com 20CD 003H, (4) Santana State Com 20CD 004H, (5) Santana State Com 20CD 005H, and (6) Santana State Com 20CD 006H.

D. Approving the non-standard location of the completed interval for the Santana State Com 20CD 006H.

E. Designating Longfellow as operator of the HSU and the wells to be drilled thereon;

F. Authorizing Longfellow to recover its costs of drilling, equipping and completing the wells;

G. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

H. Imposing a 200% penalty for the risk assumed by Longfellow in drilling and completing the wells against any interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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