

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

**APPLICATION OF TAMAROA OPERATING, LLC
FOR APPROVAL OF A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
CHAVES COUNTY, NEW MEXICO**

CASE NO. _____

APPLICATION

Tamaroa Operating, LLC (“Tamaroa”), by and through the undersigned counsel, files this application with the Oil Conservation Division pursuant to NMSA 1978, § 70-2-17 and NMAC 19.15.15.11, for an order: (1) approving an 80-acre, more or less, non-standard spacing and proration unit comprised of the NW/4 NW/4 of Section 29 and the NE/4 NE/4 of Section 30, Township 9 South, Range 29 East in Chaves County; and (2) pooling all uncommitted interests in all formations from the surface through the Devonian formation underlying the proposed non-standard spacing unit. In support of its application, Tamaroa states the following:

1. Tamaroa (OGRID No. 382866) represents 62.5% of the working interest ownership in the proposed non-standard spacing unit and has the right to drill thereon.
2. Tamaroa proposes to dedicate the above-referenced spacing and proration unit to its proposed Heritage Park #1 well, which will be a wildcat well that is vertically drilled from a surface hole location 660’ FNL and 10’ FEL in Section 30 to a depth of approximately 8,500’ to test the Devonian formation.
3. The well is located in the NE/4 NE/4 of Section 30, and Tamaroa seeks to include the NW/4 NW/4 of Section 29 in the proposed spacing unit due to the location of the proposed well.
4. The location of the Heritage Park #1 well is orthodox and will comply with the Division’s setback requirements.

5. Tamaroa, on behalf of the majority working interest ownership, 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 unit.
6. The pooling of interests and approval of the non-standard spacing unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
7. In order to permit Tamaroa and the majority working interest ownership to obtain its just and fair share of the oil and gas underlying the subject lands, the proposed non-standard spacing unit should be approved, all uncommitted interests in the proposed spacing unit should be pooled, and Tamaroa should be designated the operator of the proposed well and spacing unit.

WHEREFORE, Tamaroa requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 4, 2021 and, after notice and hearing as required by law, the Division enter an order:

- A. Approving an 80-acre, more or less, non-standard spacing and proration unit comprised of the NW/4 NW/4 of Section 29 and the NE/4 NE/4 of Section 30, Township 9 South, Range 29 East;
- B. Pooling all uncommitted mineral interests in all formations from the surface through the Devonian formation underlying the non-standard spacing and proration unit;
- C. Designating Tamaroa as operator of the non-standard spacing unit and the Heritage Park #1 well to be drilled thereon;
- D. Authorizing Tamaroa to recover its costs of drilling, equipping, and completing the well;

- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision for adjusting the rates pursuant to COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Tamaroa in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully Submitted,

HINKLE SHANOR LLP

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