

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

**APPLICATION OF LONGFELLOW ENERGY, LP
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. _____

APPLICATION

Longfellow Energy, LP, OGRID No. 372210 (“Longfellow”), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and Ricardo S. Gonzales), 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 160-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the N/2 N/2 of Section 29, 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: **(1) Elvis State Com 29A 001H** well, to be horizontally drilled from an approximate surface hole location 790’ FNL and 560’ FWL of Section 28, T17S-R28E, to an approximate bottom hole location 181’ FNL and 100’ FWL of Section 29, T17S-R28E (API# 30-015-48142) (“Elvis 1H”); **(2) Elvis State Com 29A 002H** well, to be horizontally drilled from an approximate surface hole location 815’ FNL and 560’ FWL of Section 28, T17S-R28E, to an approximate bottom hole location 577’ FNL and 100’ FWL of Section 29, T17S-R28E (API# 30-015-48183) (“Elvis 2H”), and **(3) Elvis State Com 29A 003H** well, to be horizontally drilled from an approximate surface

hole location 840' FNL and 560' FWL of Section 28, T17S-R28E, to an approximate bottom hole location 972' FNL and 100' FWL of Section 29, T17S-R28E (API# 30-015-48184) ("Elvis 3H").

3. The first and last take points for the proposed wells will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The completed lateral for the Elvis 1H does not satisfy the standard setback. Longfellow is in the process of obtaining approval of a non-standard location for the Elvis 1H, in Case No. 21954. The completed laterals for the Elvis 2H and Elvis 3H comply with the standard setbacks.

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 July 1, 2021, and that, after notice and hearing as required by law, the Division enter an order:

- A. Creating a standard 160-acre, more or less, HSU comprised of the N/2 N/2 of Section 29, 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 proposed HSU: Elvis State Com 29A 001H, the Elvis State Com 29A 002H, and the Elvis State Com 29A 003H;

- D. Designating Longfellow as operator of the HSU and the wells to be drilled thereon;
- E. Authorizing Longfellow to recover its costs of drilling, equipping and completing the wells;
- F. 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
- G. Imposing a 200% penalty for the risk assumed by Longfellow in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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