

**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 (Red Lake; Glorieta-Yeso [96836]) in a standard 480-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the S/2 of Section 19, Township 17 South, Range 28 East, and the SE/4 of Section 24, Township 17 South, Range 27 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 1.5-mile wells in the proposed HSU: **(1) Bonzo Federal Com 1924CDX 001H** well, to be horizontally drilled from an approximate surface hole location 1397’ FSL and 415’ FWL of Section 20, T-17S-R28E, to an approximate bottom hole location 2272’ FSL and 2607’ FEL of Section 24, T17S-R27E (“Bonzo 1H”); **(2) Bonzo Federal Com 1924CDX 002H** well, to be horizontally drilled from an approximate surface hole location 1372’ FSL and 415’ FWL of Section 20, T-17S-R28E, to an approximate bottom hole location 1846’ FSL and 2609’ FEL of Section 24, T17S-R27E (“Bonzo 2H”); **(3) Bonzo Federal**

Com 1924CDX 003H well, to be horizontally drilled from an approximate surface hole location 1347' FSL and 415' FWL of Section 20, T-17S-R28E, to an approximate bottom hole location 1400' FSL and 2610' FEL of Section 24, T17S-R27E ("Bonzo 3H"); **(4) Bonzo Federal Com 1924CDX 004H** well, to be horizontally drilled from an approximate surface hole location 1322' FSL and 415' FWL of Section 20, T-17S-R28E, to an approximate bottom hole location 994' FSL and 2612' FEL of Section 24, T17S-R27E ("Bonzo 4H"); **(5) Bonzo Federal Com 1924CDX 005H** well, to be horizontally drilled from an approximate surface hole location 1297' FSL and 415' FWL of Section 20, T-17S-R28E, to an approximate bottom hole location 570' FSL and 2614' FEL of Section 24, T17S-R27E ("Bonzo 5H"), and; **(6) Bonzo Federal Com 1924CDX 006H** well, to be horizontally drilled from an approximate surface hole location 1272' FSL and 415' FWL of Section 20, T-17S-R28E, to an approximate bottom hole location 142' FSL and 2615' FEL of Section 24, T17S-R27E ("Bonzo 6H").

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 laterals for the Bonzo 1H, 2H, 3H, 4H, and 5H comply with the standard setbacks. The completed lateral proposed for the Bonzo 6H does not satisfy the standard setback. Longfellow will be seeking administrative approval of a non-standard location ("NSL") for the Bonzo 6H. In an abundance of caution, on today's date, Longfellow will also file a separate application for hearing seeking Division approval of the NSL, which will be heard on the July 1, 2021 docket, if objections are timely made to the NSL administrative application.

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 480-acre, more or less, HSU comprised of the S/2 of Section 19, Township 17 South, Range 28 East, and the SE/4 of Section 24, Township 17 South, Range 27 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 1.5-mile wells in the proposed HSU: Bonzo Federal Com 1924CDX 001H, Bonzo Federal Com 1924CDX 002H, Bonzo Federal Com 1924CDX 003H, Bonzo Federal Com 1924CDX 004H, Bonzo Federal Com 1924CDX 005H, and Bonzo Federal Com 1924CDX 006H;

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.

/s/ Sharon T. Shaheen

Sharon T. Shaheen
Ricardo S. Gonzales
Post Office Box 2307
Santa Fe, NM 87504-2307
(505) 986-2678
sshaheen@montand.com
rgonzales@montand.com

Attorneys for Longfellow Energy, LP