

**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 ([96210] EMPIRE, GLORIETA-YESO) in a standard 147.04-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the S/2 S/2 of irregular Section 18, Township 17 South, Range 29 East 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 four 1-mile wells in the proposed HSU:
 - **Ozzy Federal Com 18D 001H** well, to be horizontally drilled from an approximate surface hole location 270’ FSL and 650’ FEL of Section 13, T17S-R28E, to an approximate bottom hole location 1185’ FSL and 20’ FEL of Section 18, T17S-R29E (“Ozzy 18D 1H”);
 - **Ozzy Federal Com 18D 002H** well, to be horizontally drilled from an approximate surface hole location 245’ FSL and 650’ FEL of Section 13, T17S-R28E, to an

approximate bottom hole location 830' FSL and 20' FEL of Section 18, T17S-R29E ("Ozzy 18D 2H");

- **Ozzy Federal Com 18D 003H** well, to be horizontally drilled from an approximate surface hole location 220' FSL and 650' FEL of Section 13, T17S-R28E, to an approximate bottom hole location 475' FSL and 20' FEL of Section 18, T17S-R29E ("Ozzy 18D 3H");
- **Ozzy Federal Com 18D 004H** well, to be horizontally drilled from an approximate surface hole location 195' FSL and 650' FEL of Section 13, T17S-R28E, to an approximate bottom hole location 120' FSL and 20' FEL of Section 18, T17S-R29E ("Ozzy 18D 4H").

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 Ozzy 18D 2H and 3H wells comply with the standard setbacks. The completed laterals proposed for the Ozzy 18D 1H and 4H wells do not satisfy the standard setbacks. Longfellow will be seeking administrative approval of a non-standard location for the Ozzy 18D 1H and 4H wells.

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 December 2, 2021, and that, after notice and hearing as required by law, the Division enter an order:

- A. Creating a standard 147.04-acre, more or less, HSU comprised of the S/2 S/2 of irregular Section 18, Township 17 South, Range 29 East 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: Ozzy Federal Com 18D 001H, Ozzy Federal Com 18D 002H, Ozzy Federal Com 18D 003H, and Ozzy Federal Com 18D 004H;
- 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

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