

**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, ("Longfellow"), OGRID No. 372210, 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, seeking an order pooling all mineral interests in the Yeso formation (Red Lake; Glorieta-Yeso, Northeast [96836]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the S/2 of Section 31, Township 17 South, Range 28 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 the following five (5) one-mile wells in the proposed HSU:
 - **Marley State Com 31CD 001H** well, to be horizontally drilled from an approximate surface hole location 2098' FSL and 332' FEL of Section 36, T17S-R27E, to an approximate bottom hole location 2266' FSL and 20' FEL of Section 31, T17S-R28E.
 - **Marley State Com 31CD 002H** well, to be horizontally drilled from an approximate surface hole location 2078' FSL and 332' FEL of Section 36, T17S-

R27E, to an approximate bottom hole location 1786' FSL and 20' FEL of Section 31, T17S-R28E.

- **Marley State Com 31CD 003H** well, to be horizontally drilled from an approximate surface hole location 805' FSL and 464' FEL of Section 36, T17S-R27E, to an approximate bottom hole location 1304' FSL and 20' FEL of Section 31, T17S-R28E.
- **Marley State Com 31CD 004H** well, to be horizontally drilled from an approximate surface hole location 785' FSL and 464' FEL of Section 36, T17S-R27E, to an approximate bottom hole location 822' FSL and 20' FEL of Section 31, T17S-R28E.
- **Marley State Com 31CD 005H** well, to be horizontally drilled from an approximate surface hole location 765' FSL and 464' FEL of Section 36, T17S-R27E, to an approximate bottom hole location 341' FSL and 20' FEL of Section 31, T17S-R28E.

3. The Marley State Com 31CD 003H well is a proximity well that will be located within the S/2 S/2 of Section 31, T17S-R28E. Its completed interval will be less than 330' from the N/2 S/2 of Section 31, T17S-R28E. Longfellow is therefore including the N/2 S/2 of Section 31, T17S-R28E as proximity tracts under 19.15.16.15(B)(1)(b) NMAC.

4. With the proximity tracts included, the first and last take points and completed intervals meet the setback requirements set forth in the statewide rules for horizontal oil wells.

5. 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.

6. 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.

7. 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 October 6, 2022, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the S/2 of Section 31, 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 Marley State Com 31CD 001H well, Marley State Com 31CD 002H well, Marley State Com 31CD 003H well, Marley State Com 31CD 004H well, and Marley State Com 31CD 005H well in the proposed HSU.

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 wells against any interest owner who does not voluntarily participate in the drilling of the wells.

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

Application of Longfellow Energy, LP for Compulsory Pooling, Eddy County, New Mexico.

Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Yeso formation (Red Lake; Glorieta-Yeso, Northeast [96836]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the S/2 of Section 31, Township 17 South, Range 28 East in Eddy County, New Mexico. The HSU is to be dedicated to the following one-mile wells: (1) **Marley State Com 31CD 001H** well, to be horizontally drilled from an approximate surface hole location 2098' FSL and 332' FEL of Section 36, T17S-R27E, to an approximate bottom hole location 2266' FSL and 20' FEL of Section 31, T17S-R28E; (2) **Marley State Com 31CD 002H** well, to be horizontally drilled from an approximate surface hole location 2078' FSL and 332' FEL of Section 36, T17S-R27E, to an approximate bottom hole location 1786' FSL and 20' FEL of Section 31, T17S-R28E; (3) **Marley State Com 31CD 003H** well, to be horizontally drilled from an approximate surface hole location 805' FSL and 464' FEL of Section 36, T17S-R27E, to an approximate bottom hole location 1304' FSL and 20' FEL of Section 31, T17S-R28E; (4) **Marley State Com 31CD 004H** well, to be horizontally drilled from an approximate surface hole location 785' FSL and 464' FEL of Section 36, T17S-R27E, to an approximate bottom hole location 822' FSL and 20' FEL of Section 31, T17S-R28E; and (5) **Marley State Com 31CD 005H** well, to be horizontally drilled from an approximate surface hole location 765' FSL and 464' FEL of Section 36, T17S-R27E, to an approximate bottom hole location 341' FSL and 20' FEL of Section 31, T17S-R28E. The Marley State Com 31CD 003H well is a proximity well located within the S/2 S/2 of Section 31, T17S-R28E. Its completed interval will be less than 330' from the N/2 S/2 of Section 31, T17S-R28E. Longfellow therefore proposes to include the N/2 S/2 of Section 31, T17S-R28E as proximity tracts under 19.15.16.15(B)(1)(b) NMAC. With the proximity tracts included, the first and last take points and completed intervals meet the setback requirements set forth in the statewide rules for horizontal oil wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 12 miles southeast of Artesia City, New Mexico.