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

APPLICATION OF TASCOSA ENERGY PARTNERS, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

| CASE NO. | |
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APPLICATION

In accordance with NMSA 1978, § 70-2-17, Tascosa Energy Partners, LLC ("Tascosa" or "Applicant"), through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") seeking an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Sections 17 and 18, Township 20 South, Range 27 East, Eddy County, New Mexico ("Unit"). In support of this application, Tascosa states the following.

- 1. Applicant (OGRID No. 329748) is a working interest owner in the Unit and has the right to drill wells thereon.
- 2. Applicant seeks to dedicate the Unit to the **Tempest 1618 State Com #303H** well, which will be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 16 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 18.
 - 3. The completed interval of the well will be orthodox.
- 4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the Unit.
- 5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas

underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant

should be designated the operator of the proposed horizontal well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an

Examiner of the Oil Conservation Division on September 7, 2023, and, after notice and hearing as

required by law, the Division enter an order:

A. Pooling all uncommitted interests in the Unit;

B. Approving the initial well in the Unit;

C. Designating Applicant as the operator of the Unit and the horizontal well to be drilled

thereon;

D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the

well;

E. Approving the actual operating charges and costs of supervision, together with a

provision adjusting the rates pursuant to the COPAS accounting procedures; and

F. Imposing a 200% charge for the risk assumed by Applicant 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

<u>/s/ Dana S. Hardy</u>

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