

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

**APPLICATION OF TUMBLER OPERATING
PARTNERS, LLC, FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. _____

APPLICATION

Tumbler Operating Partners, LLC, OGRID No. 329689 ("Tumbler"), through its undersigned counsel Spencer Fane, LLP (Sharon T. Shaheen), 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 Bone Spring formation (WC-025 G-08 S233412K; Bone Spring; 96672) pool in a standard 394.89-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2W/2 of Section 24, E/2W/2 of Section 25, and Lot 3 (SE/4NW/4) and NE/4NW/4 of irregular Section 36, Township 26 South, Range 34 East in Lea County, New Mexico. In support of its application, Tumbler states as follows:

1. Tumbler is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Tumbler seeks to dedicate the following 5 ~2.5-mile wells to the proposed HSU:
 - David 36-24 Federal Com 102H well, to be horizontally drilled from a surface hole location in Lot 3 (SE/4 NW/4) of Section 36, T26S-R34E, with a first take point 100' FSL & 1,980' FWL of Section 36, T26S-R34E, and a last take point 100' FNL & 1,980' FWL of Section 24, T26S-R34E;
 - David 36-24 Federal Com 112H well, to be horizontally drilled from a surface hole location in Lot 3 (SE/4 NW/4) of Section 36, T26S-R34E, with a first take point 100' FSL & 1,980' FWL of Section 36, T26S-R34E, and a last take point 100' FNL & 1,980' FWL of Section 24, T26S-R34E;
 - David 36-24 Federal Com 122H well, to be horizontally drilled from a surface hole location in Lot 3 (SE/4 NW/4) of Section 36, T26S-R34E, with a first take point 100' FSL & 1,760' FWL of Section 36, T26S-R34E, and a last take point 100' FNL & 1,760' FWL of Section 24, T26S-R34E;

- David 36-24 Federal Com 132H well, to be horizontally drilled from a surface hole location in Lot 3 (SE/4 NW/4) of Section 36, T26S-R34E, with a first take point 100' FSL & 1,980' FWL of Section 36, T26S-R34E, and a last take point 100' FNL & 1,980' FWL of Section 24, T26S-R34E; and
- David 36-24 Federal Com 136H well, to be horizontally drilled from a surface hole location in Lot 3 (SE/4 NW/4) of Section 36, T26S-R34E, with a first take point 100' FSL & 1,980' FWL of Section 36, T26S-R34E, and a last take point 100' FNL & 1,980' FWL of Section 24, T26S-R34E.

4. Tumbler 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 Bone Spring formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to permit Tumbler 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 Tumbler should be designated the operator of the HSU.

WHEREFORE, Tumbler requests that this application be set for hearing before an examiner of the Oil Conservation Division on July 10, 2025, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 394.89-acre, more or less, HSU comprised of the E/2W/2 of Section 24, E/2W/2 of Section 25, and Lot 3 (SE/4NW/4) and NE/4NW/4 of irregular Section 36, Township 26 South, Range 34 East in Lea County, New Mexico;

B. Pooling all mineral interests in the Bone Spring formation underlying the HSU;

C. Allowing the drilling of the following 5 ~2.5-mile wells in the proposed HSU: David 36-24 Federal Com 102H; David 36-24 Federal Com 112H; David 36-24 Federal Com 122H; David 36-24 Federal Com 132H; and David 36-24 Federal Com 136H.

D. Designating Tumbler as operator of the HSU and the wells to be drilled thereon.

E. Authorizing Tumbler to recover its costs of drilling, equipping and completing the wells;

F. Approving the operating charges and costs of supervision while drilling of \$10,000/month and, after completion, \$1000/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 Tumbler in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

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Application of Tumbler Operating Partners, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all mineral interests in the Bone Spring formation (WC-025 G-08 S233412K; Bone Spring; 96672) in a standard 394.89-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2W/2 of Section 24, E/2W/2 of Section 25, and Lot 3 (SE/4NW/4) and NE/4NW/4 of irregular Section 36, Township 26 South, Range 34 East in Lea County, New Mexico. Applicant proposes to drill the following 2.5-mile wells in the HSU: David 36-24 Federal Com 102H well, to be horizontally drilled from a SHL in Lot 3 (SE/4 NW/4) of Section 36, T26S-R34E, with a FTP 100' FSL & 1,980' FWL of Section 36, T26S-R34E, and LTP 100' FNL & 1,980' FWL of Section 24, T26S-R34E; David 36-24 Federal Com 112H well, to be horizontally drilled from a SHL in Lot 3 (SE/4 NW/4) of Section 36, T26S-R34E, with a FTP 100' FSL & 1,980' FWL of Section 36, T26S-R34E, and LTP 100' FNL & 1,980' FWL of Section 24, T26S-R34E; David 36-24 Federal Com 122H well, to be horizontally drilled from a SHL in Lot 3 (SE/4 NW/4) of Section 36, T26S-R34E, with a FTP 100' FSL & 1,760' FWL of Section 36, T26S-R34E, and LTP 100' FNL & 1,760' FWL of Section 24, T26S-R34E; David 36-24 Federal Com 132H well, to be horizontally drilled from a SHL in Lot 3 (SE/4 NW/4) of Section 36, T26S-R34E, with a FTP 100' FSL & 1,980' FWL of Section 36, T26S-R34E, and LTP 100' FNL & 1,980' FWL of Section 24, T26S-R34E; and David 36-24 Federal Com 136H well, to be horizontally drilled from a SHL in Lot 3 (SE/4 NW/4) of Section 36, T26S-R34E, with a FTP 100' FSL & 1,980' FWL of Section 36, T26S-R34E, and LTP 100' FNL & 1,980' FWL of Section 24, T26S-R34E. The completed intervals and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 13 miles Southwest of Jal City, New Mexico.