

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

**APPLICATION OF NSP RESOURCES,
LLC FOR APPROVAL OF NON-
STANDARD HORIZONTAL SPACING
UNIT AND COMPULSORY POOLING,
LEA & EDDY COUNTIES, NEW MEXICO**

CASE NO. 26329

AMENDED APPLICATION

NSP Resources, LLC, OGRID No. 333426 (“NSP” or “Applicant”), through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) approving a 1,923.88-acre, more or less, non-standard horizontal spacing unit (“NSHSU”) composed of All of Sections 17 and 18, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and All of Section 13, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico (the “Application Lands”), and (2) pooling all uncommitted oil and gas interests in the Young; Bone Spring [65330] and Tamano; Bone Spring [58040] (the “Bone Spring Pool”), designated as oil pools, underlying said NSHSU.

In support of its Application, NSP states the following:

1. NSP and/or its affiliates are working interest owners in the Application Lands and have the right to drill wells thereon as the designated Operator of the Application Lands.
2. NSP seeks to dedicate all of the Application Lands to form a 1,923.88-acre, more or less, NSHSU.
3. NSP seeks to dedicate the above-referenced NSHSU to the following proposed wells:

A. **Tin Goose 17 13 Fed Com 211H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the NW/4 NW/4 (Unit D) of Section 13, Township 18 South, Range 31 East;

B. **Tin Goose 17 13 Fed Com 212H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the SW/4 NW/4 (Unit E) of Section 13, Township 18 South, Range 31 East;

C. **Tin Goose 17 13 Fed Com 213H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the NW/4 SW/4 (Unit L) of Section 13, Township 18 South, Range 31 East;

D. **Tin Goose 17 13 Fed Com 311H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the NW/4 NW/4 (Unit D) of Section 13, Township 18 South, Range 31 East;

E. **Tin Goose 17 13 Fed Com 312H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the SW/4 NW/4 (Unit E) of Section 13, Township 18 South, Range 31 East;

F. **Tin Goose 17 13 Fed Com 123H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section

17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the NW/4 SW/4 (Unit L) of Section 13, Township 18 South, Range 31 East;

G. **Tin Goose 17 13 Fed Com 224H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the NW/4 SW/4 (Unit L) of Section 13, Township 18 South, Range 31 East;

H. **Tin Goose 17 13 Fed Com 225H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the SW/4 SW/4 (Unit M) of Section 13, Township 18 South, Range 31 East;

I. **Tin Goose 17 13 Fed Com 323H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the NW/4 SW/4 (Unit L) of Section 13, Township 18 South, Range 31 East;

J. **Tin Goose 17 13 Fed Com 324H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the SW/4 SW/4 (Unit M) of Section 13, Township 18 South, Range 31 East;

K. **Tin Goose 17 13 Fed Com 111H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the NW/4 NW/4 (Unit D) of Section 13, Township 18 South, Range 31 East;

L. **Tin Goose 17 13 Fed Com 112H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the SW/4 NW/4 (Unit E) of Section 13, Township 18 South, Range 31 East;

M. **Tin Goose 17 13 Fed Com 124H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the SW/4 SW/4 (Unit M) of Section 13, Township 18 South, Range 31 East;

4. All wells are orthodox in location as defined by 19.15.16.15.C. NMAC, and the take points and laterals comply with Statewide Rules for setbacks under 19.15.16.15.C.(1)(a-b) NMAC.

5. NSP has made good faith efforts to obtain voluntary agreement from all interest owners in the Bone Spring Pool underlying the proposed spacing unit, but has been unable to secure agreement from all parties to participate in the drilling of the wells or otherwise commit their interests.

6. The pooling of all interests in the Bone Spring Pool within the proposed unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. To provide for its just and fair share of oil and gas underlying the Application Lands, NSP requests that all uncommitted interests in this NSHSU be pooled and that NSP be designated as the operator of the proposed horizontal wells and NSHSU.

WHEREFORE, NSP requests this Application be set for hearing on August 6, 2026, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

- A. Approving the non-standard horizontal well spacing unit and pooling all uncommitted interests in Bone Spring Pool underlying the NSHSU within the Application Lands; Approving the **Tin Goose 17 13 Fed Com 211H, Tin Goose 17 13 Fed Com 212H, Tin Goose 17 13 Fed Com 213H, Tin Goose 17 13 Fed Com 311H, Tin Goose 17 13 Fed Com 312H, Tin Goose 17 13 Fed Com 123H, Tin Goose 17 13 Fed Com 224H, Tin Goose 17 13 Fed Com 225H, Tin Goose 17 13 Fed Com 323H, Tin Goose 17 13 Fed Com 324H, Tin Goose 17 13 Fed Com 111H, Tin Goose 17 13 Fed Com 112H, and Tin Goose 17 13 Fed Com 124H** as the initial wells for the NSHSU;
- B. Designating NSP as operator of the NSHSU and the horizontal wells to be drilled thereon;
- C. Authorizing NSP to recover its costs of drilling, completing, and equipping the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by NSP in drilling, equipping, and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

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Amended Application of NSP Resources, LLC for Approving a Non-Standard Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) approving a 1,923.88-acre, more or less, non-standard horizontal spacing unit composed of All of Sections 17 and 18, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and All of Section 13, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico (the “Application Lands”), and (2) pooling all uncommitted oil and gas interests in the Young; Bone Spring [65330] and the Tamano; Bone Spring [58040] (the “Bone Spring Pool”), designated as oil pools, underlying said non-standard horizontal spacing unit. The proposed wells to be dedicated to the non-standard horizontal spacing unit are the: **Tin Goose 17 13 Fed Com 211H** (API No. Pending), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the NW/4 NW/4 (Unit D) of Section 13, Township 18 South, Range 31 East; **Tin Goose 17 13 Fed Com 212H** (API No. Pending), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the SW/4 NW/4 (Unit E) of Section 13, Township 18 South, Range 31 East; **Tin Goose 17 13 Fed Com 213H** (API No. Pending), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the NW/4 SW/4 (Unit L) of Section 13, Township 18 South, Range 31 East; **Tin Goose 17 13 Fed Com 311H** (API No. Pending), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the NW/4 NW/4 (Unit D) of Section 13, Township 18 South, Range 31 East; **Tin Goose 17 13 Fed Com 312H** (API No. Pending), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the SW/4 NW/4 (Unit E) of Section 13, Township 18 South, Range 31 East; **Tin Goose 17 13 Fed Com 123H** (API No. Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the NW/4 SW/4 (Unit L) of Section 13, Township 18 South, Range 31 East; **Tin Goose 17 13 Fed Com 224H** (API No. Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the NW/4 SW/4 (Unit L) of Section 13, Township 18 South, Range 31 East; **Tin Goose 17 13 Fed Com 225H** (API No. Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the SW/4 SW/4 (Unit M) of Section 13, Township 18 South, Range 31 East; **Tin Goose 17 13 Fed Com 323H** (API No. Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the NW/4 SW/4 (Unit L) of Section 13, Township 18 South, Range 31 East; **Tin Goose 17 13 Fed Com 324H** (API No. Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the SW/4 SW/4 (Unit M) of Section 13, Township 18 South, Range 31 East; **Tin Goose 17 13 Fed Com 111H** (API No. Pending), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 of Section 17, Township 18 South, Range 32 East, to a

bottom hole location in the Bone Spring Pool in the NW/4 NW/4 (Unit D) of Section 13, Township 18 South, Range 31 East; **Tin Goose 17 13 Fed Com 112H** (API No. Pending), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the SW/4 NW/4 (Unit E) of Section 13, Township 18 South, Range 31 East; and the **Tin Goose 17 13 Fed Com 124H** (API No. Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17, Township 18 South, Range 32 East, to a bottom hole location in the Bone Spring Pool in the SW/4 SW/4 (Unit M) of Section 13, Township 18 South, Range 31 East. The wells are orthodox in location, and the take points and lateral comply with Statewide Rules for setbacks. The wells and lands are located approximately 8.06 miles southwest of Maljamar, New Mexico.