

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION TO CONSIDER:**

**Case No. 24181
Order No. R-23090**

**APPLICATION OF TASCOSA ENERGY PARTNERS, LLC FOR APPROVAL OF
THE KONG DELAWARE STATE EXPLORATORY UNIT, EDDY COUNTY, NEW
MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on March 7, 2024, and after considering the testimony, evidence, and the recommendations of the Hearing Examiner,

FINDS THAT:

- (1) Due public notice has been given, and the OCD has jurisdiction of this case and its subject matter.
- (2) Tascosa Energy Partners, LLC (“Applicant”) is seeking approval from the New Mexico State Land Office (“SLO”) of the Kong Delaware State Exploratory Unit (“Unit”) consisting of 473.98 acres of the following lands situated in Eddy County, New Mexico (“Unit Area”):

Township 21 South, Range 26 East, N.M.P.M.

Section 19: NW/4, W/2 SW/4

Section 30: SW/4, W/2 NW/4

- (3) Unitized Interval: The unitized interval for the Unit is the Delaware Formation, which is defined as the stratigraphic equivalent of 2,270 feet MD to 4,475 feet MD in the Boscowitz #1 well located in the SE/4 NW/4 of Section 30 of Township 21 South, Range 26 East, N.M.P.M. in Eddy County, New Mexico (API No. 30-015-20777).
- (4) The unitized interval underlying the Unit is currently designated by the OCD as the WC-015 G-01 S212630L: DELAWARE pool (Pool Code: 98386).

- (5) Applicant presented testimony and exhibits as follows:
- a. The Unit is a proposed state exploratory unit and the Delaware Formation will be unitized.
 - b. The Unit is comprised of four (4) tracts of which all are state tracts.
 - c. The Unit obligation well is the Kong Delaware Unit No. 1 well, a vertical well with a surface location in the NW/4 SW/4 of Section 30 of Township 21 South, Range 26 East (API No. 30-015-Pending). The well will be completed in the WC-015 G-01 S212630L: DELAWARE pool (Pool Code 98386).
 - d. Notice was provided of this application to the working interest owners and royalty owners within the Unit Area.
- (6) Mewbourne Oil Company appeared at the hearing but did not oppose the application.
- (7) All proposed unit acreage appears prospective for recovery of oil and gas from the target formations under the concept proposed by the Applicant. These acres should be unitized and should equally share in the benefits from future oil and gas recovery.
- (8) The approval of the Unit will serve to prevent waste and protect correlative rights within the lands assigned to the Unit Area.

IT IS THEREFORE ORDERED THAT:

- (1) OCD recommends approval of the Unit.
- (2) The Unit Area comprises 473.98 acres situated in Eddy County, New Mexico and described above.
- (3) This Order shall become effective upon the signature of all parties to the Unit Agreement.
- (4) OCD recognizes that Tascosa Energy Partners, LLC (OGRID No. 329748) is designated the Unit Operator under the Unit Agreement.
- (5) Upon the approval of the Unit Agreement and filing of the Unit Agreement with the OCD, the Unit Area will be recognized by the OCD as a “unitized area” as provided in 19.15.16 NMAC.
- (6) The Unit Operator will ensure that the names of the Unit wells are uniform and include the name of the Unit.


(7) The plan contained in the Unit Agreement for the development and operation of the above-described Unit Area is hereby approved in principle; provided, however, notwithstanding any of the provisions contained in the Unit Agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation that is now, or may hereafter be, vested in the OCD to supervise and control operations for the unit and production of oil and gas therefrom.

(8) The Unit Operator shall file with the OCD the fully executed Unit Agreement within 30 days of the effective date of the Unit Agreement. In the event of (a) subsequent joinder by any other party, (b) expansion or contraction of the Unit Area, (c) change of Unit Operator, or (d) termination of the Unit or Unit Agreement, the Unit Operator shall file with OCD, within 30 days after approval or notification of BLM, the amended Unit Agreement or other documentation reflecting the changes.

(9) All filings required by this Order shall be submitted to the OCD Engineering Bureau (OCD.Engineer@emnr.dnm.gov). OCD may notify the Unit Operator of any changes to the filing process without need to amend this Order.

(10) Jurisdiction of this case is retained for the entry of such further orders as the OCD may deem necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



DYLAN M. FUGE
DIRECTOR (ACTING)

Date: 3/8/24