

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

**IN THE MATTER OF APPLICATIONS FOR
COMPULSORY POOLING SUBMITTED BY
ROCKWOOD ENERGY, LP**

**CASE NOS. 25243-25246
ORDER NO. R-24084**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on August 12, 2025, and August 13, 2025, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Rockwood Energy, LP (“Applicant”) submitted applications (“Applications”) to compulsory pool the uncommitted oil and gas interests within the spacing units (“Units”) described in the Applications. Applicant seeks to be designated the operator of the Units.
2. Applicant’s cases were consolidated for a contested hearing with Coterra Energy Operating Co. (“Coterra”) cases 25520-25523.
3. The Applications were heard by the Hearing Examiner on the date specified above, during which Applicant presented evidence through affidavits and testimony in support of the Applications.
4. Upon OCD review of amended exhibits submitted by Applicant on August 18, 2025, the Division cites the following errors within the exhibits:
 - a. Applicants are required to provide the Pool Name and Pool Code in the Compulsory Pooling Application Checklist. Only one of the two Pool Names and Pool Codes associated with the proposed spacing units in the Applications were provided. *See* Rockwood Exhibit A. This information was not corrected even though the correct information was provided by the Technical Examiner. *See* Transcript (“Tr.”) (August 13, 2025), 279: 22-25; 280: 1-10.
 - b. Applicants are required to provide the Horizontal Well First and Last Take Points in the Compulsory Pooling Application Checklist for each proposed well. The proposed SHL (Surface Hole Location) and BHL (Bottom Hole Location) were incorrectly provided as a response. *See* Rockwood Exhibit A.
 - c. Applicant submitted Applications with an invalid OGRID No. *See* Rockwood Exhibit B.

- d. Landman statement references an inaccurate Pool Name and Code. *See* Rockwood Exhibit C, ¶ 9.
 - e. Landman statement says “*Mewbourne* has made a good faith effort to locate and has had communications with all of the parties that it seeks to pool...” *See* Rockwood Exhibit C, ¶ 12 (emphasis added). *Mewbourne* was not the Applicant in these cases.
 - f. The C-102s submitted by Applicant do not contain either one of the correct Pool Names or Pool Codes associated with the proposed spacing units. *See* Rockwood Exhibit C-1. This information was not corrected even though the correct information was provided by the Technical Examiner. *See* Transcript (“Tr.”) (August 13, 2025), 279: 22-25; 280: 1-10.
 - g. The C-102 for the proposed Shepard 25 1 State Com No. 528 well has an incorrect Unit Letter (“UL”) listed for the Surface Location. *See* Rockwood Exhibit C-1.
 - h. The C-102 for the proposed Shepard 25 1 State Com No. 523 well has an incorrect UL listed for the Surface Location. *See* Rockwood Exhibit C-1.
 - i. In the Land Tract Maps and associated descriptions of interest ownership for the Shepard 25 1 State Com No. 521H and Shepard 25 1 State Com No. 523H, Applicant represents the following entities’ Working Interest (“WI”) as its own: Marshall & Winston Inc, Salt Fork Limited, Worrall Investment Corporation, Guns Up Exploration LLC, Sharbro Energy LLC, and SR Primo Holdings LLC. *See* Rockwood Exhibits C-2.
5. Applicant submitted Letters of Support from the WI owners listed above as evidence of voluntary joinder and based on those letters, deemed it unnecessary to: a) detail these parties’ interest ownership in Applicant’s exhibits, b) consider these parties to be subject to the Applications for compulsory pooling, c) provide evidence of notice to these parties prior to the August 12-13, 2025 contested hearing. *See* Rockwood Exhibit C-2; *see also* Rockwood Exhibit C-5; *see also* Rockwood Exhibit F, ¶ 6.
6. Applicant does not operate any wells in the state of New Mexico. Applicant was seeking to be awarded orders for compulsory pooling in the proposed Units with the intention of negotiating a forthcoming deal with *Mewbourne* for operatorship, even though *Mewbourne* is not a WI owner within the proposed Units. *See* Rockwood Exhibit E-2.
7. Applicant’s witnesses at the August 12-13, 2025, contested hearing were *Mewbourne* employees whose involvement in the proposed development and Applications is unclear considering the following 2025 timeline: *See* Coterra Exhibit A.2; part C.

- a. Coterra closed on its acquisition of Franklin Mountain on January 24.
 - b. Coterra announced the closing of this acquisition on January 27.
 - c. Coterra first met with Applicant to discuss the Units on January 29.
 - d. Applicant proposed the wells and Units to Coterra on February 12.
 - e. Applicant filed Applications for the Units on February 26.
8. Applicant (and Mewbourne) negotiated with Coterra in bad faith by providing false and misleading information beginning in February 2025 and continued to provide inconsistent messaging to Coterra up to the time of the contested hearing. *See* Coterra Exhibit A.2; part C; *see also* Coterra Exhibit A.8.
 9. In Coterra's opening statement, testimony was provided that the cases and negotiations had been "a moving target". *See* Tr. (August 12, 2025), 63: 22-25; 64: 1-9

CONCLUSIONS OF LAW

10. Applicant failed to submit complete and accurate Applications under 19.15.4.12 NMAC.

ORDER

Because Applicant failed to submit complete and accurate Applications, it is hereby **ORDERED** that the Applications are dismissed, without prejudice.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ALBERT C.S. CHANG
DIRECTOR
AC/asf

Date: 10/31/2025