

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

**APPLICATION OF LONGFELLOW ENERGY, LP
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. _____

APPLICATION

Longfellow Energy, LP (“Longfellow”), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), 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 Yeso formation (Red Lake; Glorieta-Yeso, Northeast [96836]) in a standard 320-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the N/2 of Section 31, Township 17 South, Range 28 East, NMPM, in Eddy County, New Mexico. In support of its application, Longfellow states as follows:

1. Longfellow is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Longfellow proposes to drill the following 1-mile wells in the proposed HSU:
 - **Marley State Com 31 AB 001H** well, to be horizontally drilled from an approximate surface hole location 1578’ FNL and 490’ FWL of Section 32, T17S-R28E, to an approximate bottom hole location 361’ FNL and 100’ FWL of Section 31, T17S-R28E;
 - **Marley State Com 31 AB 002H** well, to be horizontally drilled from an approximate surface hole location 1603’ FNL and 490’ FWL of Section 32, T17S-

R28E, to an approximate bottom hole location 843' FNL and 100' FWL of Section 31, T17S-R28E;

- **Marley State Com 31 AB 003H** well, to be horizontally drilled from an approximate surface hole location 1628' FNL and 490' FWL of Section 32, T17S-R28E, to an approximate bottom hole location 1325' FNL and 100' FWL of Section 31, T17S-R28E;
- **Marley State Com 31 AB 004H** well, to be horizontally drilled from an approximate surface hole location 1653' FNL and 490' FWL of Section 32, T17S-R28E, to an approximate bottom hole location 1807' FNL and 100' FWL of Section 31, T17S-R28E; and
- **Marley State Com 31 AB 005H** well, to be horizontally drilled from an approximate surface hole location 1678' FNL and 490' FWL of Section 32, T17S-R28E, to an approximate bottom hole location 2288' FNL and 100' FWL of Section 31, T17S-R28E.

3. The completed intervals and first and last take points for all wells will meet the setback requirements set forth in the statewide rules for horizontal oil wells.

4. Total vertical depths will range from 3,625' -4,025'. A depth severance exists in the NW/4 NW4 of Section 31, T17S-R28E where Contango Resources owns 87.5% of the 40 acre tract above 3,560' and EOG owns 87.5% below 3,560'. The other 12.5% in this tract is owned by Read & Stevens, which owns all depths within the Yeso.

5. Longfellow 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.

6. Approval of the HSU and the pooling of all mineral interest owners in the Yeso formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to permit Longfellow 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 Longfellow should be designated the operator of the HSU.

WHEREFORE, Longfellow requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 6, 2021, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 320-acre, more or less, HSU comprised of the N/2 of Section 31, Township 17 South, Range 28 East, NMPM, in Eddy County, New Mexico;

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

C. Allowing the drilling of the following 1-mile wells in the HSU: (1) Marley State Com 31AB 001H, (2) Marley State Com 31AB 002H, (3) Marley State Com 31AB 003H, (4) Marley State Com 31AB 004H, and (5) Marley State Com 31AB 005H.

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

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

F. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/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 Longfellow in drilling and completing the wells against any interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

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