

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

**APPLICATION OF PBEX, LLC FOR
COMPULSORY POOLING AND AN EXTENSION
OF TIME TO DRILL INTIAL WELLS,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

PBEX, LLC (“PBEX” or “Applicant”), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (a) pooling a 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation (WC-025 S203313J;WOLFCAMP (GAS) [98243]) underlying Section 13, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) extending the time in which to drill the initial wells. In support of this application, PBEX states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate E.G.L. Resources, Inc. (OGRID No. 192373) as the operator of the proposed horizontal well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the following wells to be drilled in two phases over a two-year period:
 - **Hazel 13 Fed Com 403H, Hazel 13 Fed Com 603H and Hazel 13 Fed Com 604H** to be drilled from a surface location in the SE4 of Section 12, with first take points in the NW4NE4 (Unit B) of Section 13 and last take points in the SW4SE4 (Unit O) of Section 13;

- **Hazel 13 Fed Com 404H** and **Hazel 13 Fed Com 605H** to be drilled from a surface location in the SE4 of Section 12, with first take points in the NE4NE4 (Unit A) of Section 13 and last take points in the SE4SE4 (Unit P) of Section 13;
- **Hazel 13 Fed Com 401H** and **Hazel 13 Fed Com 601H** to be drilled from a surface location in the SW4 of Section 12, with first take points in the NW4NW4 (Unit D) of Section 13 and last take points in the SW4SW4 (Unit M) of Section 13; and
- **Hazel 13 Fed Com 402H** and **Hazel 13 Fed Com 602H** to be drilled from a surface location in the SW4 of Section 12, with first take points in the NW4NE4 (Unit C) of Section 13 and last take points in the SE4SW4 (Unit N) of Section 13.

4. The completed interval of the Hazel 13 Fed Com 603H well is expected to remain within 330 feet of the offsetting quarter sections or equivalent tracts to allow inclusion of this acreage in a standard horizontal well spacing unit for a gas pool.

5. The two-year Development Table proposed by the Applicant is attached hereto. Applicant seeks approval from the Division to commence drilling certain wells within two-years of signature to allow for phased-in drilling of the initial wells.

6. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

7. The pooling of interests in this acreage and the approval of the initial drilling program will allow Applicant to efficiently and effectively obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on the October 31, 2024, docket and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interest owners in the subject acreage and extending the time to drill the initial wells;
- B. Designating E.G.L. Resources, Inc. as operator of this horizontal spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant 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 Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

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ATTORNEYS FOR PBEX, LLC

Applicant's Development Table

Well Name	Estimated Spud	Estimated Completion
Hazel 13 Fed Com 403H	Within 1 year of Order signature	Within 1-year of spud date
Hazel 13 Fed Com 404H	Within 1 year of Order signature	Within 1-year of spud date
Hazel 13 Fed Com 603H	Within 1 year of Order signature	Within 1-year of spud date
Hazel 13 Fed Com 604H	Within 1 year of Order signature	Within 1-year of spud date
Hazel 13 Fed Com 605H	Within 1 year of Order signature	Within 1-year of spud date
Hazel 13 Fed Com 401H	Within 2-years of Order signature	Within 1-year of spud date
Hazel 13 Fed Com 402H	Within 2-years of Order signature	Within 1-year of spud date
Hazel 13 Fed Com 601H	Within 2-years of Order signature	Within 1-year of spud date
Hazel 13 Fed Com 602H	Within 2-years of Order signature	Within 1-year of spud date

CASE _____: **Application of PBEX, LLC for Compulsory Pooling and an Extension of Time to Drill Initial Wells, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (a) pooling a standard 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying Section 13, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) extending the time in which to drill the initial wells. Said unit will be initially dedicated to the following proposed wells to be drilled in two phases over a two-year period:

- **Hazel 13 Fed Com 403H, Hazel 13 Fed Com 603H and Hazel 13 Fed Com 604H** to be drilled from a surface location in the SE4 of Section 12, with first take points in the NW4NE4 (Unit B) of Section 13 and last take points in the SW4SE4 (Unit O) of Section 13;
- **Hazel 13 Fed Com 404H and Hazel 13 Fed Com 605H** to be drilled from a surface location in the SE4 of Section 12, with first take points in the NE4NE4 (Unit A) of Section 13 and last take points in the SE4SE4 (Unit P) of Section 13;
- **Hazel 13 Fed Com 401H and Hazel 13 Fed Com 601H** to be drilled from a surface location in the SW4 of Section 12, with first take points in the NW4NW4 (Unit D) of Section 13 and last take points in the SW4SW4 (Unit M) of Section 13; and
- **Hazel 13 Fed Com 402H and Hazel 13 Fed Com 602H** to be drilled from a surface location in the SW4 of Section 12, with first take points in the NW4NE4 (Unit C) of Section 13 and last take points in the SE4SW4 (Unit N) of Section 13.

The completed interval of the Hazel 13 Fed Com 603H well is expected to remain within 330 feet of the offsetting quarter sections or equivalent tracts to allow inclusion of this acreage into a standard horizontal well spacing unit for a gas pool. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of E.G.L. Resources, Inc. as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 20 miles west-southwest of Monument, New Mexico.