

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

**APPLICATION OF ROCKWOOD ENERGY, LP,
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. _____

APPLICATION

Rockwood Energy, LP (“Rockwood”), OGRID No. 341867, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 480-acre, more or less, spacing unit comprised of the E/2 E/2 of Sections 25 and 36, Township 18 South, Range 35 East, NMPM and the E/2 E/2 of Section 1, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

In support of its Application, Rockwood states the following:

1. Rockwood is a working interest owner in the proposed horizontal spacing unit (“HSU”) and has a right to drill a well thereon.
2. Rockwood proposes and dedicates to the HSU the **Shepard 25/1 State Com 528H Well**, as an initial well, to be drilled to a sufficient depth to test the Bone Spring formation.
3. Rockwood proposes the **Shepard 25/1 State Com 528H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 25, Township 18 South, Range 35 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 1, Township 19 South, Range 35 East.

4. The well proposed herein, will be orthodox in its location, and the take points and completed intervals comply with setback requirements under the statewide rules.

5. Rockwood has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for their development within the proposed HSU.

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

7. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Rockwood requests that all uncommitted interests in this HSU be pooled and that Rockwood be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, Rockwood requests that this Application be set for hearing on April 10, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing a standard 480-acre, more or less, spacing unit comprised of the E/2 E/2 of Sections 25 and 36, Township 18 South, Range 35 East, NMPM and the E/2 E/2 of Section 1, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU;

C. Approving the **Shepard 25/1 State Com 528H Well** as the well for the HSU;

D. Designating Rockwood as operator of this HSU and the horizontal well to be drilled thereon;

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

F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Setting a 200% charge for the risk assumed by Rockwood in drilling and completing the wells in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

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Application of Rockwood Energy, LP, for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 25 and 36, Township 18 South, Range 35 East, NMPM and the E/2 E/2 of Section 1, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the **Shepard 25/1 State Com 528H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 25, Township 18 South, Range 35 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 1, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. The proposed well will be orthodox in location, and its take points and completed interval will comply with the setback requirements under statewide Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 15 miles West of Hobbs, New Mexico.