

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

**APPLICATION OF PBEX OPERATIONS, LLC
FOR COMPULSORY POOLING AND
APPROVAL OF AN OVERLAPPING SPACING
UNIT, EDDY COUNTY AND LEA COUNTY, NEW
MEXICO.**

CASE NO. _____

APPLICATION

In accordance with NMSA 1978, § 70-2-17, PBEX Operations, LLC (“PBEX” or “Applicant”), through its undersigned attorney, files this application with the Oil Conservation Division (“Division”) seeking an order pooling a standard 961.18 acre, more or less, horizontal spacing unit in the Bone Spring formation comprised of the NE/4 of Section 35 and the N/2 of Section 36, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico and the N/2 of Section 31 and NW/4 of Section 32, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico. In support of this application, PBEX states the following.

1. Applicant (OGRID No. 332544) is a working interest owner in the Unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the Unit to the following proposed wells (“Wells”):
 - a. **Dr. Vogel N 35-32 Fed Com 101H**, which will be drilled from a surface hole location the NE/4 of Section 35, Township 18 South, Range 31 East, in Eddy County New Mexico to a bottom hole located 330’ from the North Line and 2540’ from the West Line of Section 32 (Unit C), Township 18 South, Range 32 East, in Lea County, New Mexico.
 - b. **Dr. Vogel N 35-32 Fed Com 102H**, which will be drilled from a surface hole location the NE/4 of Section 35, Township 18 South, Range 31 East, in Eddy

County New Mexico to a bottom hole located 1254' from the North Line and 2540' from the West Line of Section 32 (Unit C), Township 18 South, Range 32 East, in Lea County, New Mexico.

- c. **Dr. Vogel N 35-32 Fed Com 103H**, which will be drilled from a surface hole location the NE/4 of Section 35, Township 18 South, Range 31 East, in Eddy County New Mexico to a bottom hole located 2200' from the North Line and 2540' from the West Line of Section 32 (Unit F), Township 18 South, Range 32 East, in Lea County, New Mexico.
- d. **Dr. Vogel N 35-32 Fed Com 201H**, which will be drilled from a surface hole location the NE/4 of Section 35, Township 18 South, Range 31 East, in Eddy County New Mexico to a bottom hole located 330' from the North Line and 2540' from the West Line of Section 32 (Unit C), Township 18 South, Range 32 East, in Lea County, New Mexico.
- e. **Dr. Vogel N 35-32 Fed Com 203H**, which will be drilled from a surface hole location the NE/4 of Section 35, Township 18 South, Range 31 East, in Eddy County New Mexico to a bottom hole located 1254' from the North Line and 2540' from the West Line of Section 32 (Unit C), Township 18 South, Range 32 East, in Lea County, New Mexico.
- f. **Dr. Vogel N 35-32 Fed Com 205H**, which will be drilled from a surface hole location the NE/4 of Section 35, Township 18 South, Range 31 East, in Eddy County New Mexico to a bottom hole located 2200' from the North Line and 2540' from the West Line of Section 32 (Unit F), Township 18 South, Range 32 East, in Lea County, New Mexico.

3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the Unit.

4. The pooling of interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

5. The proposed spacing unit will cover acreage in both Lea and Eddy Counties.

6. The proposed spacing unit will also partially overlap with the spacing units for the following pre-existing wells:

- a. **Nervous Horz Com #2H**
API No. 30-015-37143
Operated by COG Operating LLC
Producing Spacing Unit: 18-31, Sec. 36: E2E2
Producing Formation: Bone Spring
- b. **Nervous Horz Com #4H**
API No. 30-015-37146
Operated by COG Operating LLC
Producing Spacing Unit: 18-31, Sec. 36: W2W2
Producing Formation: Bone Spring
- c. **Nervous Horz Com #3H**
API No. 30-015-37145
Operated by COG Operating LLC
Producing Spacing Unit: 18-31, Sec. 36: W2E2
Producing Formation: Bone Spring
- d. **EGL Fed #1**
API No. 30-025-35690
Operated by COG Operating LLC
Producing Spacing Unit: 18-32, Sec. 31: NENE
Producing Formation: Bone Spring
- e. **LPC 31 Fed #3**
API No. 30-025-37859
Operated by COG Operating LLC
Producing Spacing Unit: 18-32, Sec. 31: SENW
Producing Formation: Bone Spring
- f. **Hulkster #1**
API No. 30-025-38446
Operated by RAYBAW Operating LLC
Producing Spacing Unit: 18-21, Sec. 36: NWNW
Producing Formation: Bone Spring
- g. **N Lusk 32 St #1**
API No. 30-025-35747
Operated by RAYBAW Operating LLC
Producing Spacing Unit: 18-21, Sec. 36: NENW

Producing Formation: Bone Spring

- h. **SDL Fed Com #1H**
API No. 30-025-39537
Operated by COG Operating LLC
Producing Spacing Unit: 18-32, Sec. 31: N2NW & NWNE
Producing Formation: Bone Spring
- i. **LPC 31 Fed #4**
API No. 30-025-38109
Operated by COG Operating LLC
Producing Spacing Unit: 18-32, Sec. 31: SWNW
Producing Formation: Bone Spring
- j. **LPC 31 Fed #2**
API No. 30-025-37857
Operated by COG Operating LLC
Producing Spacing Unit: 18-32, Sec. 31: SWNE
Producing Formation: Bone Spring
- k. **Hulkster #2**
API No. 30-025-38844
Operated by RAYBAW Operating LLC
Producing Spacing Unit: 18-32, Sec. 32: SWNW
Producing Formation: Bone Spring
- l. **Watkins 32 St #1**
API No. 30-025-31735
Operated by RAYBAW Operating LLC
Producing Spacing Unit: 18-32, Sec. 32: SENW
Producing Formation: Bone Spring

7. Applicant requests that the Division approve its overlapping spacing unit.

8. To allow Applicant to obtain it's just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the proposed horizontal wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 8, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the initial wells in the Unit;

- C. Designating Applicant as the operator of the Unit and the horizontal wells to be drilled thereon;
- D. Approving the overlapping spacing units;
- E. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- F. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. 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 wells.

Respectfully submitted,

**Jennifer L. Bradfute,
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CASE _____: **Application of PBEX Operations, LLC for Compulsory Pooling and Approval of an Overlapping Spacing Unit, Eddy County and Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 960 acre, more or less, horizontal well spacing unit in the Bone Spring formation comprised of NE/4 of Section 35 and the N/2 of Section 36, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico and the N/2 of Section 31 and NW/4 of Section 32, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico initially dedicated to the proposed Dr. Vogel N 35-32 Fed Com 101H, 102H, 103H, and the Dr. Vogel N 35-23 Fed Com 201H, 203H, and 205H wells to be horizontally drilled as follows:

- **Dr. Vogel N 35-32 Fed Com 101H**, which will be drilled from a surface hole location the NE/4 of Section 35, Township 18 South, Range 31 East, in Eddy County New Mexico to a bottom hole located 330' from the North Line and 2540' from the West Line of Section 32 (Unit C), Township 18 South, Range 32 East, in Lea County, New Mexico.
- **Dr. Vogel N 35-32 Fed Com 102H**, which will be drilled from a surface hole location the NE/4 of Section 35, Township 18 South, Range 31 East, in Eddy County New Mexico to a bottom hole located 1254' from the North Line and 2540' from the West Line of Section 32 (Unit C), Township 18 South, Range 32 East, in Lea County, New Mexico.
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The spacing unit for these wells will overlap with the spacing units for the: **Nervous Horz Com #2H** (API No. 30-015-37143) in the E/2 E/2 of Section 36, Township 18 South, Range 31 East; **Nervous Horz Com #4H** (API No. 30-015-37146) in the W/2 W/2 of Section 36, Township 18 South, Range 31 East; **Nervous Horz Com #3H** (API No. 30-015-37145) in the W/2 E/2 of Section 36, Township 18 South, Range 31 East; **EGL Fed #1** (API No. 30-025-35690) in the NE/NE of Section 31, Township 18 South, Range 32 East; **LPC 31 Fed #3** (API No. 30-025-37859) in the SENW of Section 31, Township 18 South, Range 32 East; **Hulkster #1** (API No. 30-025-38446) in the NWNE of Section 36, Township 18 South, Range 21 East; **N Lusk 32 St #1** (API No. 30-025-35747) in the NENW of Section 36 in Township 18 South, Range 21 East; **SDL Fed Com #1H** (API No. 30-025-39537) in the N2NW and NWNE of Section 31, Township 18 South, Range 32 East; **LPC 31 Fed #4** (API No. 30-025-38109) in the SWNW of Section 31, Township 18 South, Range 32 East; **LPC 31 Fed #2** (API No. 30-025-37857) in the SWNE of Section 31, Township 18 South, Range 32 East; **Hulkster #2** (API No. 30-025-38844) in the SWNW of Section 32 in Township 18 South, Range 32 East; **Watkins 32 St #1** (API No. 30-025-31735) in the SENW of Section 32, Township 18 South, Range 32 East. Applicant requests approval of the overlapping spacing unit. 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 PBEX Operations, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 30.4 miles Northeast of Carlsbad, New Mexico.