

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

**APPLICATION OF TEXAS STANDARD
OPERATING NM LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NO. _____

APPLICATION

Texas Standard Operating NM LLC (OGRID No. 329818) (“Texas Standard”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Pennsylvanian Shale horizontal spacing unit comprised of the E/2SE/4 of Section 34, Township 16 South, Range 36 East, and the E/2E/2 of Section 3 and the E/2NE/4 of Section 10, Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico. In support of this application, Texas Standard states as follows:

1. Texas Standard has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Texas Standard seeks to dedicate the E/2SE/4 of Section 34, Township 16 South, Range 36 East, and the E/2E/2 of Section 3 and the E/2NE/4 of Section 10, Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico to form a standard 320-acre, more or less, Pennsylvanian Shale horizontal spacing unit.
3. Texas Standard seeks to dedicate the spacing unit to the **Bulldog State #2H well**, to be horizontally drilled with a proposed first take point in the SE/4SE/4 (Unit H) of Section 10, Township 17 South, Range 36 East, to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 34, Township 16 South, Range 36 East.
4. The producing area for the well is expected to be orthodox.

5. Texas Standard sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Pennsylvanian Shale formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

6. The pooling of all uncommitted interests will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

7. In order to allow Texas Standard to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interest in the unit should be pooled and Texas Standard should be designated operator of the well and the unit.

WHEREFORE, Texas Standard requests this application be set for hearing before an Examiner of the Oil Conservation Division on March 13, 2025 and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a horizontal spacing unit within the E/2SE/4 of Section 34, Township 16 South, Range 36 East, and the E/2E/2 of Section 3 and the E/2NE/4 of Section 10, Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico;

B. Designating Texas Standard as operator of this unit and the well to be drilled thereon;

C. Authorizing Texas Standard to recover its costs of drilling, equipping and completing the well;

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: /s/ Deana M. Bennett

Earl E. DeBrine, Jr.

Deana M. Bennett

Yarithza Peña

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

edebrine@modrall.com

deana.bennett@modrall.com

yarithza.pena@modrall.com

Attorneys for Texas Standard Operating NM LLC

CASE NO. _____: Application of Texas Standard Operating NM LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Pennsylvanian Shale horizontal spacing unit comprised of the E/2SE/4 of Section 34, Township 16 South, Range 36 East, and the E/2E/2 of Section 3 and the E/2NE/4 of Section 10, Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Bulldog State #2H well**, to be horizontally drilled with a proposed first take point in the SE/4SE/4 (Unit H), Township 17 South, Range 36 East, to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 34, Township 16 South, Range 36 East. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Texas Standard Operating NM LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 3.25 miles south of Lovington, New Mexico.