

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

**APPLICATION OF CHASE OIL
CORPORATION FOR COMPULSORY POOLING,
EDDY AND LEA COUNTIES, NEW MEXICO.**

CASE NO. _____

APPLICATION

Chase Oil Corporation (“Chase” or “Applicant”) (OGRID No. 53773), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interest owners in the Yeso formation underlying a standard 240.65-acre, more or less, horizontal well spacing unit comprised of the S/2 SE/4 of Section 36, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico, and Lot 4, SE/4 SW/4, and S/2 SE/4 (S/2 S/2 equivalent) of irregular Section 31, Township 16 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, Chase 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 Mack Energy Corporation as the operator of the proposed horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Devils Tower State Com 1H** and **Devils Tower State Com 2H** wells, both to be horizontally drilled from surface locations in the SE/4 SW/4 (Unit N) of Section 36, T16S-R31E, with first take points in the SW/4 SE/4 (Unit O) of Section 36, T16S-R31E, and last take points in the SE/4 SE/4 (Unit P) of irregular Section 31, T16S-R32E.

4. 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.

5. The pooling of uncommitted interest owners will allow Applicant to 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 November 13, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interest owners in the horizontal spacing unit;
- B. Designating Mack Energy Corporation as operator of this 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 wells.

Respectfully submitted,

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**ATTORNEYS FOR CHASE OIL COMPANY &
MACK ENERGY CORPORATION**

CASE _____: **Application of Chase Oil Corporation for Compulsory Pooling, Eddy and Lea Counties, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Yeso formation underlying a standard 240.65-acre, more or less, horizontal well spacing unit comprised of the S/2 SE/4 of Section 36, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico, and Lot 4, SE/4 SW/4, and S/2 SE/4 (S/2 S/2 equivalent) of irregular Section 31, Township 16 South, Range 32 East, NMPM , Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Devils Tower State Com 1H** and **Devils Tower State Com 2H** wells, both to be horizontally drilled from surface locations in the SE/4 SW/4 (Unit N) of Section 36, T16S-R31E, with first take points in the SW/4 SE/4 (Unit O) of Section 36, T16S-R31E, and last take points in the SE/4 SE/4 (Unit P) of irregular Section 31, T16S-R32E. 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 Mack Energy Corporation as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 3 miles northwest of Maljamar, New Mexico.