

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

**APPLICATION OF OSTRICH OIL  
AND GAS, LLC FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. \_\_\_\_\_

**APPLICATION**

Ostrich Oil and Gas, LLC ("Applicant") (OGRID No. 372911), 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 interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of W/2 of Section 10, Township 22 South, Range 32 East, Lea County, New Mexico. In support of its application, Ostrich 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 dedicate the above-referenced horizontal spacing unit to the proposed initial **Frizzle Freedom 10 BS Fed Com #1H Well** to be drilled from a surface hole location in NW/4 NW/4 (Unit D) of Section 10, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 10.
3. The completed interval for the **Frizzle Freedom 10 BS Fed Com #1H Well** will be within 330' of the quarter-quarter line separating the W/2 W/2 and the E/2 W/2 of Section 10 to allow inclusion of this acreage into a standard 320-acre horizontal well spacing unit.

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

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

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal well and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;
- B. Approving the initial well in the horizontal spacing unit;
- C. Designating Applicant as the operator of this spacing unit and the horizontal well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

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**ATTORNEYS FOR OSTRICH OIL & GAS LLC**

CASE \_\_\_\_\_:

**Application of Ostrich Oil and Gas LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of W/2 of Section 10, Township 22 South, Range 32 East, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial **Frizzle Freedom 10 BS Fed Com #1H Well** to be drilled from a surface hole location in NW/4 NW/4 (Unit D) of Section 10, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 10. The completed interval for the proposed **Frizzle Freedom 10 BS Fed Com #1H Well** will be within 330' of the quarter-quarter line separating the W/2 W/2 and the E/2 W/2 of Section 10 to allow inclusion of this acreage into a standard 320-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing the well. Said area is located approximately 25 miles east of Loving, New Mexico.