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

APPLICATION OF LONGFELLOW ENERGY, LP FOR COMPULSORY POOLING AND FOR APPROVAL OF A NON-STANDARD LOCATION, EDDY COUNTY, NEW MEXICO

Case No. 21792

PRE-HEARING STATEMENT

Applicant LONGFELLOW ENERGY, LP ("Longfellow") provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

LONGFELLOW ENERGY, LP

APPLICANT'S ATTORNEY:

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OTHER PARTY

None at this time.

STATEMENT OF THE CASE

Case No 21792. Application of Longfellow Energy, LP for Compulsory Pooling and for Approval of a Non-Standard Location, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Yeso formation (Artesia; Glorieta-Yeso [96830]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the S/2 of Section 20, Township 17 South,

Range 28 East, NMPM, in Eddy County, New Mexico. Applicant proposes to drill the following wells: (1) Santana State Com 20CD 001H well, to be horizontally drilled from an approximate surface hole location 1295' FSL and 200' FWL of Section 21, T17S-R28E, to an approximate bottom hole location 2301' FSL and 100' FWL of Section 20, T17S-R28E; (2) Santana State Com 20CD 002H well, to be horizontally drilled from an approximate surface hole location 1270' FSL and 200' FWL of Section 21, T17S-R28E, to an approximate bottom hole location 1851' FSL and 100' FWL of Section 20, T17S-R28E; (3) Santana State Com 20CD 003H well, to be horizontally drilled from an approximate surface hole location 1245' FSL and 200' FWL of Section 21, T17S-R28E, to an approximate bottom hole location 1401' FSL and 100' FWL of Section 20, T17S-R28E; (4) Santana State Com 20CD 004H well, to be horizontally drilled from an approximate surface hole location 1220' FSL and 200' FWL of Section 21, T17S-R28E, to an approximate bottom hole location 1005' FSL and 100' FWL of Section 20, T17S-R28E; (5) Santana State Com 20CD 005H well, to be horizontally drilled from an approximate surface hole location 1195' FSL and 200' FWL of Section 21, T17S-R28E, to an approximate bottom hole location 610' FSL and 100' FWL of Section 20, T17S-R28E; and (6) Santana State Com **20CD 006H** well, to be horizontally drilled from an approximate surface hole location 1170' FSL and 200' FWL of Section 21, T17S-R28E, to an approximate bottom hole location 214' FSL and 100' FWL of Section 20, T17S-R28E.

The completed intervals and first and last take points for all wells except the Santana State Com 20CD 006H will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Applicant requests approval of an unorthodox location for the Santana State Com 20CD 006H because the completed interval is closer than 330' from the outer boundary of the HSU ("NSL"). An administrative application for the proposed NSL is currently pending.

The time for objection expires on April 2. If no objections are received, Longfellow will seek dismissal of the request for NSL approval in this application.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 14 miles west of Loco Hills, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES	EXHIBITS
Landman Ryan Culpepper	8-10
Geologist Jennifer Eker	5-7

PROCEDURAL MATTERS

Assuming no opposition by time of hearing, Applicant will present these matters by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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