

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)  
(505) 982-2151 (FAX)

jamesbruc@aol.com

**RECEIVED**

MAY 27 2003

Oil Conservation Division

May 27, 2003

Hand Delivered

Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

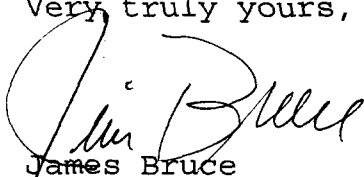
Case 13087

Dear Florene:

Enclosed are an original and one copy of an application for compulsory pooling, together with a proposed advertisement, filed on behalf of Ocean Energy, Inc. Please set this matter for the June 19, 2003 Examiner hearing. Thank you.

The advertisement is also on the enclosed disk under "OEI."

Very truly yours,



James Bruce

Attorney for Ocean Energy, Inc.

PARTIES BEING POOLED

Marathon Oil Company  
P.O. Box 552  
Midland, Texas 79702

The Porter Crescent Hale Foundation  
Suite 301  
655 Redwood Highway  
Mill Valley, California 94141

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MAY 27 2003

Oil Conservation Division

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF OCEAN ENERGY,  
INC. FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

No. 13087

APPLICATION

Ocean Energy, Inc. applies for an order pooling all mineral interests from the surface to the base of the of the Lower Mississippian Lime underlying the N $\frac{1}{2}$  of Section 27, Township 16 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the N $\frac{1}{2}$  of Section 27, and has the right to drill a well thereon.

2. Applicant proposes to drill its Eidson Ranch "27" State Com. Well No. 1, at an orthodox location in the NW $\frac{1}{4}$ NW $\frac{1}{4}$  (Unit D) of the section, and seeks to dedicate the following acreage to the well:

- (a) The NW $\frac{1}{4}$  of Section 27 for all pools or formations developed on 160-acre spacing within that vertical extent; and
- (b) The N $\frac{1}{2}$  of Section 27 for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated Shoe Bar-Atoka Gas Pool, Undesignated South Shoe Bar-Morrow Gas Pool, Undesignated Townsend-Morrow Gas Pool, and Undesignated Townsend-Mississippian Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N $\frac{1}{2}$  of Section 27 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the N½ of Section 27, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the N½ of Section 27 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, Applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the N½ of Section 27, from the surface to the base of the Lower Mississippian Lime;
- B. Naming applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates as provided in the COPAS accounting procedure; and
- E. Setting a penalty 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,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Ocean Energy, Inc.