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2005 JAN 25 AM 10 17

January 25, 2005

Case 13427

Hand Delivered


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

Dear Florene:

Enclosed are an original and one copy of an application for compulsory pooling, together with a proposed advertisement, filed on behalf of Pure Resources, L.P. Please set this matter for the February 17, 2005 Examiner hearing. Thanks.

The advertisement has also been e-mailed to the Division.

Very truly yours,



James Bruce

Attorney for Pure Resources, L.P.

PARTIES BEING POOLED

EFS Royalty Partners, L.P.
c/o Bank One, N.A.
Suite 200
420 Throckmorton
Fort Worth, Texas 76102

Attention: Bill Coats

Dorchester Minerals, L.P.
Suite 300
3838 Oaklawn Avenue
Dallas, Texas 75219-4541

Attention: Terri Farmer

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF PURE RESOURCES, ²⁰⁰⁵ JAN 25 AM 10 17
L.P. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

No. 13427

APPLICATION

Pure Resources, L.P. applies for an order pooling all mineral interests from the surface to the base of the Atoka formation underlying the E½ of Section 19, Township 26 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 E½ of Section 19, and has the right to drill a well thereon.

2. Applicant proposes to drill its Beckham "19" Well No. 1, at an orthodox gas well location in the NE¼SE¼ (Unit I) of Section 19, to test the Atoka formation, and seeks to dedicate the following acreage to the well:

(a) the NE¼SE¼ of Section 19 to form a standard 40 acre oil spacing and proration unit for all pools or formations developed on 40-acre spacing within that vertical extent;

(b) the SE¼ of Section 19 to form a standard 160 acre gas spacing and proration unit for all pools or formations developed on 160-acre spacing within that vertical extent; and

(c) the E½ of Section 19 to form a standard 320 acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated Southwest Jabalina-Atoka Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E½ of

Section 19 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 E½ of Section 19, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 19 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 E½ of Section 19, from the surface to the base of the Atoka formation;
- B. Designating 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 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,

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

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

Attorney for Pure Resources,
L.P.