

HOLLAND & HART<sup>LLP</sup>



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August 1, 2005

**VIA HAND DELIVERY**

Mark E. Fesmire, P.E.  
Director - Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

*Case 13541*

2005 AUG 1 PM 2 37

**Re: Application of Bass Enterprises Production Co. for Compulsory Pooling,  
Eddy County, New Mexico.  
Big Eddy Unit Well No. 149**

Dear Mr. Fesmire:

Enclosed in triplicate is an application for Bass Enterprises Production Co., as well as copies of the docket advertisement. Bass requests that these matters be placed on the docket for the August 25, 2005 Examiner hearings.

Sincerely,

*Ocean Munds-Dry*  
Ocean Munds-Dry

OMD

Enclosures

cc: Ryan Dobbs  
Bass Enterprises Production Co.

**Holland & Hart LLP**

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

**IN THE MATTER OF THE APPLICATION  
OF BASS ENTERPRISES PRODUCTION  
COMPANY, FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

CASE NO. 13541

**APPLICATION**

Bass Enterprises Production Company ("Bass") through its undersigned attorneys, hereby makes application for an order pooling all uncommitted mineral interests in all formations from the surface to the base of the Morrow formation underlying the N/2 of Section 32, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico, to form a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent, which presently include but are not necessarily limited to the Undesignated East Carlsbad-Wolfcamp, Undesignated East Carlsbad-Strawn and the Undesignated East Carlsbad-Morrow Gas Pools. In support of its application Bass states:

1. Bass is a working interest owner in the N/2 of Section 32 and has the right to drill thereon.
2. Bass proposes to dedicate the N/2 of Section 32 to its proposed Big Eddy Unit Well No. 149, to be drilled at a standard location in the SE/4 NE/4 (Unit H) of said Section 32 at a point 1980 from the North line and 660 feet from the East line to a depth sufficient to test the Morrow formation.
3. Bass has attempted but has been unable to locate certain interest owners in the N/2 of Section 32 identified on Exhibit A to this application.

2005 AUG 1 PM 2 33

4. Approval of this application will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

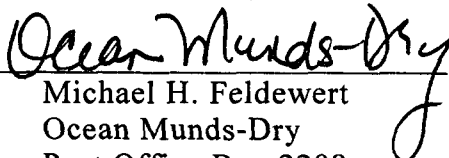
5. In order to permit Bass the opportunity to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests should be pooled, and Bass should be designated operator of the proposed well.

WHEREFORE, Bass requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 25, 2005, and that after notice and hearing as required by law the Division enter its order:

- A. pooling all uncommitted mineral interests in the subject spacing and proration unit;
- B. designating Bass operator of the unit and the proposed well;
- C. authorizing Bass to recover its costs of drilling, equipping and completing this well;
- D. approving the actual operating charges and costs of supervision while drilling and after completion of this well, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. imposing the 200% risk penalty provided by Division Rule 19.15.1.35 against any working interest owner who does not voluntarily participate in this project.

Respectfully submitted,

HOLLAND & HART, LLP

By:   
Michael H. Feldewert  
Ocean Munds-Dry  
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Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

**ATTORNEYS FOR BASS ENTERPRISES  
PRODUCTION CO.**

**EXHIBIT A**

**IN THE MATTER OF THE APPLICATION  
OF BASS ENTERPRISES PRODUCTION CO., FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.  
(Big Eddy Unit Well No. 149)**

Richard Michael Dome  
(f/k/a Richard Michael Vargas)  
3013 North Springfield  
Simi Valley, California 93442

William Mann Vargas  
1373 N. Gilbert  
Fullerton, California 92633

CASE 1354!

**In The Matter Of The Application Of Bass Enterprises Production Company For Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the N/2 of Section 32, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico, in order to form a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent, which presently include but are not necessarily limited to the Undesignated East Carlsbad-Wolfcamp, Undesignated East Carlsbad-Strawn, and the Undesignated East Carlsbad-Morrow Gas Pools. This spacing and proration unit is to be dedicated to the Big Eddy Unit Well No. 149 to be drilled at a standard location 1980 feet from the North line and 660 feet from the East line of Section 32 in order to test the Morrow formation. Also to be considered will the cost of drilling and completion of said well and the allocation of the cost thereof, the actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 5 miles east of Carlsbad, New Mexico.