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November 18, 2014

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

Dear Florene:

Enclosed for filing, on behalf of Anschutz Oil Company, LLC, are an original and one copy of an application for compulsory pooling, *etc.*, together with a proposed advertisement. Please set this matter for the December 18, 2014 Examiner hearing.

Very truly yours,

  
James Bruce

Attorney for Anschutz Oil Company, LLC

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2014 NOV 18 P 2:22

15246  
Case 15246

Parties Being Pooled

Mountain States Natural Gas Corporation  
P.O. Box 12323  
Las Vegas, Nevada 89112

Respectfully submitted,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above a horizontal line.

James Bruce  
Post Office Box 1056  
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*jamesbruc@aol.com*

Attorney for Anschutz Oil Company, LLC

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF ANSCHUTZ OIL COMPANY,  
LLC FOR COMPULSORY POOLING, RIO ARRIBA  
COUNTY, NEW MEXICO.

Case No. 1524<sup>6</sup>

APPLICATION

Anschutz Oil Company, LLC applies for an order pooling all interests in the Gavilan-Mancos Pool underlying the W/2 of Section 14 and all of Section 15, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the W/2 of Section 14 and all of Section 15, and has the right to drill a well thereon.
2. Applicant proposes to drill its Regina Com. 25-2-14-15 Well No. 1H, to a depth sufficient to test the Gavilan-Mancos Pool, and seeks to dedicate the W/2 of Section 14 and all of Section 15 to the well to form a non-standard 960 acre spacing and proration unit for any formations and/or pools developed on 640 acre spacing within that vertical extent. The well is a horizontal well to be drilled from a surface location in the NW/4NE/4 of Section 14, with a terminus in the NW/4NW/4 of Section 15. The beginning of the producing interval will be approximately 830 feet from the north line and 2310 feet from the west line of Section 14, to a terminus 830 feet from the north line and 330 feet from the west line of Section 15, which is unorthodox under the special rules and regulations for the Gavilan-Mancos Pool.
3. The non-standard spacing and proration unit for the well was approved by Division Administrative Order NSP-1974.

4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2 of Section 14 and all of Section 15 for the purposes set forth herein.

5. 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 W/2 of Section 14 and all of Section 15, pursuant to NMSA 1978 §§70-2-17, 18.

6. The pooling of all mineral interests in the Gavilan-Mancos Pool underlying the W/2 of Section 14 and all of Section 15 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 Gavilan-Mancos Pool underlying the W/2 of Section 14 and all of Section 15;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. 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,



James Bruce

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Attorney for Anschutz Oil Company, LLC

PROPOSED ADVERTISEMENT

Case No. <sup>6</sup>1524 :

*Application of Anschutz Oil Company, LLC for compulsory pooling, Rio Arriba County, New Mexico.* Anschutz Oil Company, LLC seeks an order pooling of all mineral interests in the Mancos formation underlying the W/2 of Section 14 and all of Section 15, Township 25 North, Range 2 West, N.M.P.M., a previously approved non-standard 960 acre spacing and proration unit, for any formations and/or pools developed on 640 acre spacing within that vertical extent, including the Gavilan-Mancos Pool. Applicant proposes to drill its Regina Com. 25-2-14-15 Well No. 1H, to a depth sufficient to test the Gavilan-Mancos Pool. It is a horizontal well to be drilled from a surface location in the NW/4NE/4 of Section 14, with a terminus in the NW/4NW/4 of Section 15. The beginning of the producing interval will be approximately 830 feet from the north line and 2310 feet from the west line of Section 14, to a terminus 830 feet from the north line and 330 feet from the west line of Section 15. The unit is located approximately 15 miles northwest of Gallina, New Mexico.