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May 12, 2015

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53 Case 13518

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 June 11, 2015 Examiner hearing. Thank you.

Very truly yours,

James Bruce

Attorney for Anschutz Oil Company, LLC

### Parties Being Pooled

Arriba Company, LLC

P.O. Box 35304 Tulsa, OK 74153 8402 S. 8th Street Broken Arrow, OK 74011

NM&O Operating Co.

AOC/ Hunt Oil Company

J&M Raymond, Ltd.

McElvain Oil Company

T.H. McElvain Oil & Gas

The Estate of Thomas F. McKenna, Sr. Laurie Hedrich, Trustee of the Albuquerque, NM 87056 Thomas F. McKenna, Sr., Credit Shelter Trust JAS Oil and Gas Co., LLC

Darlene Schmitz, Trustee of 70 CR 405 the Tony & Darlene Schmitz Lindrith, NM 87029 Living Trust u/t/a dated 2/20/1997, and Schmitz Land, LLC Roger Julius Palmer Abbott, Jr., SSP The Estate of H.J. Guthmann Daniel Elwin Cody Britt, individually and as Personal Representative

320 South Boston, #2000 Tulsa, OK 74103 1900 N. Akard Street Dallas, TX 75201 P.O. Box 291445 Kerrville, TX 87029 P.O. Box 801888 Dallas, TX 75380 1050 17th Street, #2500 Denver, CO 80265 3500 Comanche Road NE, Building D.

200 W. Marcy, #129 Santa Fe, NM 87501

792 Maryland Ave. E, St. Paul, MN 55106 P.O. Box 71 Sandpoint, ID 83864

1499 Blake Street, Ste. 10C Denver, CO 80202

Classical Gas & Oil, LLC

# BEFORE THE NEW MEXICO OIL CONSERVATION DEVISION OCD

## APPLICATION OF ANSCHUTZ OIL COMPANY, LLC FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, RIO ARRIBA COUNTY, NEW MEXICO.

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Case No. 13518

#### APPLICATION

Anschutz Oil Company, LLC applies for an order (i) approving a 650.32 acre nonstandard oil spacing and proration unit in the Mancos formation (Gavilan-Mancos Pool) and Dakota formation (Gavilan Greenhorn-Graneros-Dakota Pool) comprised of Lots 1-4, S<sup>1</sup>/<sub>2</sub>N<sup>1</sup>/<sub>2</sub>, and S<sup>1</sup>/<sub>2</sub> (All) of Section 1, Township 24 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and (ii) pooling all interests in the Mancos formation and Dakota formation underlying Section 1, and in support thereof, states:

 Applicant is an interest owner in Section 1, and has the right to drill a well thereon.

2. Applicant proposes to drill its Schmitz Well No. 1, at an orthodox location 1708 feet from the south line and 949 feet from the east line of Section 1, to a depth sufficient to test the Dakota formation. Applicant seeks to dedicate all of Section 1 to the well to form a non-standard 650.32 acre spacing and proration unit in the Gavilan-Mancos Pool and Gavilan Greenhorn-Graneros-Dakota Pool. Applicant further seeks to pool all uncommitted mineral interest owners in the well.

 Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in Section 1 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 Section 1, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit, and the pooling of all mineral interests in the Gavilan-Mancos Pool and Gavilan Greenhorn-Graneros-Dakota Pool underlying Section 1, 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. Approving a non-standard oil spacing and proration unit in the Gavilan-Mancos
Pool and Gavilan Greenhorn-Graneros-Dakota Pool comprised of Section 1;

B. Pooling all mineral interests in the Gavilan-Mancos Pool and Gavilan Greenhorn-Graneros-Dakota Pool underlying Section 1;

C. Designating Anschutz Exploration Corporation as operator of the well;

 Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's working interest owners;

E. 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 Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043 *jamesbruc@aol.com* 

Attorney for Anschutz Oil Company, LLC

#### PROPOSED ADVERTISEMENT

53 Case No. 13518 :

Application of Anschutz Oil Company, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Rio Arriba County, New Mexico. Anschutz Oil Company, LLC seeks an order approving a 650.32 acre non-standard oil spacing and proration unit in the Mancos formation (Gavilan-Mancos Pool) and Dakota formation (Gavilan Greenhorn-Graneros-Dakota Pool) comprised of Lots 1-4, S/2N/2, and S/2 (All) of Section 1, Township 24 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and pooling all interests in the Mancos formation and Dakota formation underlying Section 1. Applicant proposes to drill its Schmitz Well No. 1, to a depth sufficient to test the Dakota formation, at a location 1708 feet from the south line and 949 feet from the east line of Section 1. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Anschutz Exploration Corporation as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 2 miles northeast of Lindrith, New Mexico.

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