

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) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

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Case 13519<sup>53</sup>

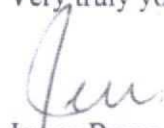
May 12, 2015

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

San Juan Basin Properties, LLC	1499 Blake Street, Ste. 10C Denver, CO 80202 1050 17th Street, #2500
T.H. McElvain Oil & Gas, LLP	Denver, CO 80265 P.O. Box 291445
J&M Raymond, Ltd.	Kerrville, TX 77029 P.O. Box 801888
McElvain Oil Company	Dallas, TX 75380 1900 N. Akard Street Dallas, TX 75201

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 15319

APPLICATION

Anschutz Oil Company, LLC applies for an order (i) approving a 640 acre non-standard oil spacing and proration unit in the Dakota formation (Gavilan Greenhorn-Graneros-Dakota Pool) comprised of All of Section 24, 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 24, and in support thereof, states:

1. Applicant is an interest owner in Section 24, and has the right to drill a well thereon.
2. Applicant proposes to drill its Ponderosa Well No. 1, at an orthodox location 2004 feet from the north line and 900 feet from the east line of Section 24, to a depth sufficient to test the Dakota formation. Applicant seeks to dedicate all of Section 24 to the well to form a standard 640 acre oil spacing and proration unit in the Gavilan-Mancos Pool and a non-standard 640 acre oil spacing and proration unit Gavilan Greenhorn-Graneros-Dakota Pool. Applicant further seeks to pool all uncommitted mineral interest owners in the well.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in Section 24 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.

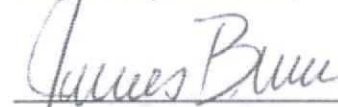
Therefore, applicant seeks an order pooling all mineral interest owners in Section 24, pursuant to NMSA 1978 §§70-2-17, 18.

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 24, 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 Greenhorn-Graneros-Dakota Pool comprised of Section 24;
- B. Pooling all mineral interests in the Gavilan-Mancos Pool and Gavilan Greenhorn-Graneros-Dakota Pool underlying Section 24;
- C. Designating Anschutz Exploration Corporation as operator of the well;
- D. 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](mailto:jamesbruc@aol.com)

Attorney for Anschutz Oil Company, LLC

PROPOSED ADVERTISEMENT

Case No. 15319 :

***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 640 acre non-standard oil spacing and proration unit in the Dakota formation (Gavilan Greenhorn-Graneros-Dakota Pool) comprised of All of Section 24, 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 24. Applicant proposes to drill its Ponderosa Well No. 1, to a depth sufficient to test the Dakota formation, at a location 2004 feet from the north line and 900 feet from the east line of Section 24. 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 1 mile southeast of Lindrith, New Mexico.

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