

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

2005 SEP 15 PM 2 10

Case 13566

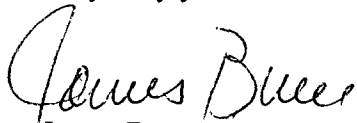
September 13, 2005

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

Dear Mr. Stogner:

Enclosed for filing, on behalf of Unit Petroleum Company, are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the October 6th hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Unit Petroleum Company

Anna Pauline Swearingen, SSP
512 Cedar St.
Concordia, KS 66901

David B. Brown, SSP
P.O. Box 2888
Houston, TX 77525

Edna Mae Watt, SSP
400 Holland Drive
Broderick, CA 95605

Flora Jane Hopkins, SSP
Attn: Loma H. Webber
24476 Chamalea Dr.
Mission Viejo, CA 92691

Glen A. Swearingen and Barbara J. Swearingen,
Trustees Of the Glen A. Swearingen Trust dated
8/13/1999
1066 Burroak Lane
Salina, KS 67401-7748

Grant Allen Swearingen, SSP
209 South Ashley Park
Wichita, KS 67209

Helen J. Hardgrave, Trustee of the Meredith E.
Hardgrave and Helen J. Hardgrave Revocable
Living Trust
6012 E. 114th St.
Tulsa, OK 74137

Helen L. Marcotte, SSP
319 Reed Ave.
Salina, KS 67401

Higgins Trust, Inc.
Attn: William P. Edwards
P.O. Box 2421
Gainesville, GA 30503-2421

James A. Brown and wife, Judith A. Brown
P.O. Box 928
Elk City, OK 73648

John Collier Major and Stephen Alfred Major, Trustees
Under the Last Will and Testament of John Charles
Major
P.O. Box 250
Reydon, OK 73660

Julie J. Martin, SSP
P.O. Box 10911
Southport, NC 28461-0911

Kenneth W. Brown, SSP
7677 Jayhawk Dr.
Riverside, CA 92509

Linda M. Harrel and husband, Don Harrel
P.O. Box 443
Fletcher, OK 73451

M.D. Vandaveer and wife, Lois Vandaveer
12090 S. E. 84th Terrace Road
Bellevue, FL 34420

Marjorie Moran, SSP
111 Nara Vista
Albuquerque, NM 87107

Mary Lou Lundblade, SSP
3013 West 72nd North
Valley Center, KS 67147

Peggie Sue Lawson, SSP
18395 W. FM 2790 South
Lytle, TX 78052

Roy G. Barton, Jr. and Claudia R. Barton, Joint Tenants
1919 Turner St.
Hobbs, NM 88240

Ruby Rogers, SSP
Rural Route 4
Abilene, KS 67410

Jesma Roberta Hopper, SSP
2926 Columbine Lane
Wichita, KS 67204

John A. Brown, SSP
3669 Seneca Circle
Las Vegas, NV 89109

Stanico Energy Corporation
P.O. Box 32467
Oklahoma City, OK 73123-2467

Leased as of 8-30-05

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF UNIT PETROLEUM
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

2005 SEP 15 PM 2 10

Case No. 13566

APPLICATION

Unit Petroleum Company applies for an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the E½ of Section 1, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E½ of Section 1, and has the right to drill a well thereon.

2. Applicant proposes to drill its Monte Carlo Fed. Com. Well No. 1, from a surface location 2385 feet from the north line and 271 feet from the east line of Section 1, to a bottomhole orthodox location approximately 1845 feet from the north line and 1487 feet from the east line of Section 1, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:

- (a) the SE¼NE¼ to form a standard 40 acre oil and spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent; and
- (b) the E½ to form a standard 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the Atoka-Pennsylvanian 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 1 for the purposes set forth herein.

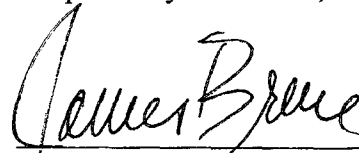
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the E½ of Section 1, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of 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. Pooling all mineral interests in the E½ of Section 1, from the base of the San Andres formation to the base of the Morrow formation;
- 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
- 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,



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

Attorney for Unit Petroleum Company

PROPOSED ADVERTISEMENT

Case No. 13566 : Application of Unit Petroleum Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the E/2 of Section 1, Township 18 South, Range 26 East, NMPM, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for all formations and/or pools developed on 320 acre spacing within that vertical extent, including the Atoka-Pennsylvanian Gas Pool; and the SE/4NE/4 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Monte Carlo Fed. Com. Well No. 1, to be drilled from a surface location in the SE/4NE/4 of Section 1 to a bottomhole location approximately 1845 feet from the north line and 1487 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 applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 6 miles east-northeast of Atoka, New Mexico.

2005 SEP 15 PM 2 10