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William F. Carr

wcarr@hollandhart.com

July 9, 2003

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED

JUL 9 2003

Oil Conservation Division

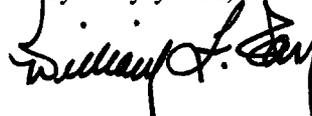
Re: Case 13103: Amended Application of V-F Petroleum Inc. for compulsory pooling and an unorthodox surface location, Eddy County, New Mexico

Dear Ms. Wrotenbery:

Enclosed is an Amended Application in Case 13103 as well as a copy of an amended legal advertisement. The original application in this case is set for hearing on July 10, 2003.

V-F Petroleum Inc. requests that the case re-readvertised and the hearing be continued to the August 7, 2003 examiner hearing docket.

Very truly yours,



William F. Carr

Enclosures

cc: Jerry Gahr
V-F Petroleum Inc.

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

RECEIVED

**IN THE MATTER OF THE APPLICATION
OF V-F PETROLEUM INC. FOR
COMPULSORY POOLING AND
UNORTHODOX SURFACE LOCATION,
EDDY COUNTY, NEW MEXICO.**

JUL 9 2003

Oil Conservation Division
CASE NO. 13103

AMENDED APPLICATION

V-F PETROLEUM INC. ("V-F") through its undersigned attorney hereby files this amended application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all mineral interests in all formations developed on 320-acre spacing from a depth of 3,500 feet (the approximate base of the San Andres formation) to the base of the Morrow formation (approximate depth of 11,152 feet) underlying the N/2 of Section 34, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, forming a standard gas spacing and proration unit for any and all formations and/or pools spaced on 320 acres within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Turkey Track-Morrow Gas Pool, and in support of its application, V-F Petroleum states:

1. V-F Petroleum is a working interest owner in the N/2 of said Section 34 and has the right to drill thereon.
2. V-F proposes to dedicate the above-referenced spacing or proration unit to its Samuel Burns "34" State Well No. 3 located at an unorthodox surface location 450 feet from the North line and 2,100 feet from the East line (Unit B) of said Section 34 and re-enter and directionally drill this well to test the Morrow formation at a standard gas well location within the NW/4 NE/4 of the section.
3. V-F has sought and been unable to obtain a voluntary agreement for the development of these lands from certain interest owners in the N/2 of Section 34 identified on Exhibit A to this application.

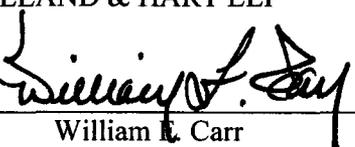
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the V-F Petroleum to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and V-F Petroleum Inc. should be designated the operator of the well to be drilled.

WHEREFORE, V-F Petroleum Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 7, 2003 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration unit,
- B. designating V-F Petroleum Inc. operator of the unit and the well thereon,
- C. authorizing V-F Petroleum Inc. to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by V-F Petroleum Inc. in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,
HOLLAND & HART LLP

By: 

William E. Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR V-F PETROLEUM INC.

EXHIBIT A

AMENDED APPLICATION OF V-F PETROLEUM INC.
FOR COMPULSORY POOLING
AND AN UNORTHODOX SURFACE LOCATION,
N/2 SECTION 34, TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
EDDY COUNTY, NEW MEXICO.

BP America Production Company
Permian Performance Unit
P.O. Box 3092
Houston, Texas 77253-3092

Anne S. Johnson
6529 Highway 42 South
Fort Valley, GA 31030

KCS Resources, Inc.
7130 South Lewis Avenue, Ste 700
Tulsa, Oklahoma 74136
Attn: Chuck Stoltz

Rosser E. Schwarz
324 West Ramona Ave.
Colorado Springs, CO 80906

Constance A. White
7007 Lawler Ridge
Houston, Texas 77055

Gretchen S. White
700 North Kentucky
Roswell, New Mexico 88201

Theodore P. White and wife,
Marianne White
P.O. Box 533
Roswell, NM 88202

CASE _____: Amended Application of V-F Petroleum Inc. for compulsory pooling and an unorthodox surface location, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations developed on 320-acre spacing from a depth of 3,500 feet (the approximate base of the San Andres formation) to the base of the Morrow formation (approximate depth of 11,152 feet) underlying the N/2 of Section 34, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, forming a standard gas spacing and proration unit for any and all formations and/or pools spaced on 320 acres within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Turkey Track-Morrow Gas Pool.. Said pooled unit is to be dedicated to its Samuel Burns "34" State Well No. 3 located at an unorthodox surface location 450 feet from the North line and 2,100 feet from the East line (Unit B) of said Section 34 that applicant proposes to re-enter and directionally drill to a standard location in the Morrow formation in the NW/4 NE/4 of the section. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of V-F Petroleum Inc. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 14 miles southeast of Artesia, New Mexico.

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William F. Carr

wcarr@hollandhart.com

July 9, 2003

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS:

Re: Amended Application of V-F Petroleum Inc. for compulsory pooling and an unorthodox surface location, Eddy County, New Mexico.

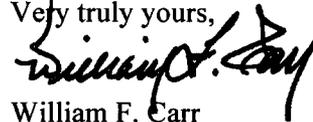
Ladies and Gentlemen:

This letter is to advise you that V-F Petroleum Inc. has filed the enclosed amended application with the New Mexico Oil Conservation Division seeking the compulsory pooling of certain spacing and proration units in the N/2 of Section 34, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico. Said units will be dedicated to V-F Petroleum Inc.'s Samuel Burns "34" State Well No. 3 at an unorthodox surface location which it proposes to re-enter and directionally drill to a standard gas well bottomhole location in the Morrow formation in the NW4 NE/4 of said Section 34.

This application has been set for hearing before a Division Examiner on August 7, 2003. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, three days in advance of a scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,



William F. Carr

cc: Jerry Gahr
V-F Petroleum Inc.