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December 27, 2005

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

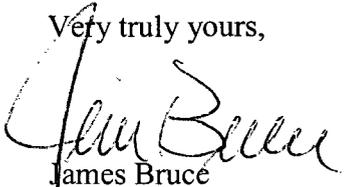
Case 13633

2005 DEC 30 PM 12 22

Dear Florene:

Enclosed for filing, on behalf of Bass Enterprises Production Co., 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 next available Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Bass Enterprises Production Co.

Cont. to Feb 2, 2006

PARTIES BEING POOLED

Occidental Permian Ltd.
P.O. Box 50250
Midland, Texas 79710

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2005 DEC 30 PM 12 22

APPLICATION OF BASS ENTERPRISES
PRODUCTION CO. FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 13633

APPLICATION

Bass Enterprises Production Co. applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N $\frac{1}{2}$ of Section 7, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an operator in the N $\frac{1}{2}$ of Section 7, and has the right to drill a well thereon.
2. Applicant proposes to drill its Indian Draw "7" Com. Well No. 1, at an orthodox well location in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 7, to a depth sufficient to test the Morrow formation, and seeks to dedicate the N $\frac{1}{2}$ of Section 7 to the well to form a standard 320 acre gas and spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N $\frac{1}{2}$ of Section 7 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 N $\frac{1}{2}$ of Section 7, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the N½ of Section 7 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 N½ of Section 7, from the surface 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;
- E. Reducing the election period given to working interest owners in the order to ten days; 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

Attorney for Bass Enterprises Production Co.

PROPOSED ADVERTISEMENT

Case No. 13633 : **Application of Bass Enterprises Production Co. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 7, Township 22 South, Range 28 East, NMPM, to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent. The unit is to be dedicated to the Indian Draw "7" Com. Well No. 1, to be drilled at an orthodox gas well location in the SE/4NW/4 of Section 7. 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, reducing the election period normally given in an order, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 6 miles east-southeast of Carlsbad, New Mexico.

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