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February 11, 2006

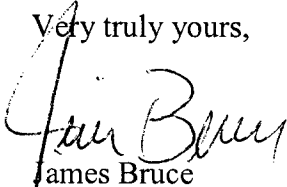
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 13666

Dear Florene:

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 March 16, 2006 hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Unit Petroleum Company

PARTIES BEING POOLED

Mary E. Harris
George E. Richardson
Margaret L. Mehl
Dale M. Richardson
Harry Richardson
1377 Randolph Ave.
St. Paul, Minnesota

Roger & Marily Denkert
502 N. 4th Avenue
Kenesaw, Nebraska 68956

Senior Citizen Center of Kenesaw
Attention: Jean Opbroek
P.O. Box G
Kenesaw, Nebraska 68956

William Runyan
American Legion in Kenesaw
410 N. Wayne
Kenesaw, Nebraska 68956

Jean Opbroek
Cemetery Association of Kenesaw
P.O. Box G
Kenesaw, Nebraska 68956

Hasting College
710 N. Turner
Hastings, Nebraska 68901

Kim Ehly
Rescue Unit of Kenesaw
115 E. Maple
Kenesaw, Nebraska 68956

Lois M. Lundblade, sole heir
of Marvin L. Lundblade
2001 Salla Rd.
Woodburn, OR 97071-2545

Ruby Rodgers
144 Wyandotte Ave
Baxter Springs, KS 66713

Larry Redford
2608 E. Pearl St.
Odessa, TX 79761

Irma Neece, aka Irma Buxman Neece., aka Erma
Buxman Neece
a married woman dealing in her s&s property
Route 2, No. 24
Quincy, IL 62301

Alma Buxman Gloor
a married woman dealing in her s&s prop
W6144 Victorian Dr
Appleton, WI 54915-7471

Ronald DeWayne Buxman
7865 Oakcrest Dr
Hortonville, WI 54944

Vicki Lynn Matchinsky
2714 Ingersoll Ave
Des Moines, IA 50312-5252

Anna Brown Unit of the Good Samaritan Home of
Quincy, Illinois
2130 Harrison St
Quincy, IL

Monica H. Dempsey
14 Sandhurst Road
Mundelein, IL 60060

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 13666

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 E $\frac{1}{2}$ 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 E $\frac{1}{2}$ 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 SE $\frac{1}{4}$ NE $\frac{1}{4}$ 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 E $\frac{1}{2}$ 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 E $\frac{1}{2}$ of Section 1 for the purposes set forth herein.

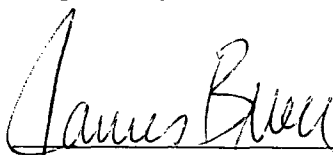
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks 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. 13666 : **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 250% charge for the risk involved in drilling and completing the well. The unit is located approximately 6 miles east-northeast of Atoka, New Mexico.

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