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October 10, 2006

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

Case 13805

Dear Florene:

Enclosed for filing, on behalf of BP America Production 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 November 9th Examiner hearing. Thank you.

Very truly yours,

James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

Mr. Douglas L. Cone 2301 Quaker Ave. Lubbock, Texas 79410

Mr. Tom R. Cone P. O. Box 778 Jay, Oklahoma 74346

Mrs. Cathie Cone Auvenshine P.O. Box 658 Dripping Springs, TX 78620-0658

Mr. Clifford Cone P.O. Drawer 1509 Lovington, NM 88260

Mr. Kenneth G. Cone 400 W. Illinois Midland, TX 79702 Dalport Oil Corporation 5646 Milton St. #413 Dallas, Texas 75206

Mr. Raymond L. Todd 1107 Shawnee Trail Carrollton. TX 75006

Mr. Tommy L. Todd 6722 E. Northwest Highway Dallas. TX 75231

Ms. Mary Anne Todd P. O. Box 2381 Wimberly, TX 78676

Mrs. Anne Todd Barfield P. O. Box 738 Wimberly, TX 78676

Mr. Thomas E. Todd, Jr. P. O. Box 338 Ruidoso, NM 88345

Mrs. Virginia Todd 8523 Thackery St. Apt 3307 Dallas, TX 75225-3955

Mrs. Margaret Todd Sherrill 4920 N. Carriage Road Hobbs, NM 88240

Mr. Harry Todd, Jr. 1407 Tanglewood Dr. Dallas, TX 75234

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2006 OCT 10 RM 9 49

APPLICATION OF BP AMERICA PRODUCTION COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

APPLICATION

BP America Production Company applies for an order pooling all mineral interests from the top of the Cisco formation to the base of the Morrow formation underlying Lots 3, 4, S½NW¼, and SW¼ (the W½) of Section 3, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

- 1. Applicant is an interest owner in the W½ of Section 3, and has the right to drill a well thereon.
- 2. Applicant has drilled its South Sunflower "3" State Com. Well No. 1, at an orthodox location in Lot 4 of Section 3, to a depth sufficient to test the Morrow formation, and seeks to dedicate the W½ of Section 3 to the well to form a standard 321.09 acre gas and spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the Vacuum-Morrow Gas Pool.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W½ of Section 3 for the purposes set forth herein.
- 4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to commit their interests to the communitization agreement for the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all leasehold record title owners in the W½ of Section 3, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the W½ of Section 3 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 $W\frac{1}{2}$ of Section 3, from the top of the Cisco formation to the base of the Morrow formation; and
- B. Designating applicant as operator of the well.

APPLICANT REQUESTS THAT, IN THE ABSENCE OF OBJECTION, THIS MATTER BE TAKEN UNDER ADVSISEMENT.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for BP America Production Company

PROPOSED ADVERTISEMENT

Case No. 13805: Application of BP America Production Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Cisco formation to the base of the Morrow formation underlying Lots 3, 4, S/2NW/4, and SW/4 (the W/2) of Section 3, Township 18 South, Range 34 East, NMPM, to form a standard 321.09-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the Vacuum-Morrow Gas Pool. The unit is to be dedicated to the South Sunflower "3" State Com. Well No. 1, drilled at an orthodox gas well location in Lot 4 of Section 3. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 3-1/2 miles southwest of Buckeye, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.