

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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

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

**Case No. 13,805**

**VERIFIED STATEMENT OF J.P. ADAMS**

J.P. Adams, being duly sworn upon his oath, deposes and states:

1. I am a Contract Landman for BP America Production Company, and have personal knowledge of the matters stated herein.

2. Pursuant to Division Rule 1207.A(1)(b), the following information is submitted in support of the compulsory pooling application filed herein:

(a) No opposition to this application is expected because the mineral interest owners being pooled (i) own "record title" only, and are not responsible for any of the costs associated with the drilling the subject well, and (ii) the successors to the record title owners (a deceased person and a dissolved corporation) have failed to respond to requests to execute the communitization agreement for the well. (The State land Office requires joinder of record title owners before approving a communitization agreement.)

(b) A plat outlining the spacing unit being pooled, and marking the location of the proposed well, is attached hereto as Exhibit A. 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, S½NW¼, and SW¼ (the W½) of Section 3, Township 18 South, Range 34 East, N.M.P.M., to form a standard 321.09 acre gas spacing and proration unit for any formations and/or pools 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 Well No. 1, which has been drilled at an orthodox gas well location in Lot 4 of Section 3 to a depth sufficient to test the Morrow formation.

(c) The leases in the well unit which need to be pooled, and their record title owners, are listed on Exhibit B. The parties being pooled are the Estate of Gordon M. Cone,

Oil Conservation Division  
Case No. \_\_\_\_\_  
Exhibit No. 1

deceased, and Dalport Oil Corporation, a dissolved corporation. The successors to the record title owners, and their last known addresses, are also listed on Exhibit B.

(d) Copies of the proposal letters and other correspondence sent to the uncommitted mineral interest owners are attached hereto as Exhibits C-1 and C-2.


(e) Because the people being pooled own no working interest, a risk charge is not requested against non-consenting interest owners.

(f) Applicant requests that it be designated operator of the well.

VERIFICATION


STATE OF TEXAS            )  
  ) ss.  
COUNTY OF HARRIS        )

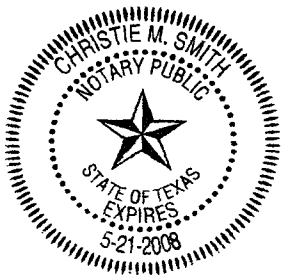
J.P. Adams, being duly sworn upon his oath, deposes and states that: He is a Contract Landman for BP America Production Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

  
J.P. Adams

SUBSCRIBED AND SWORN TO before me this 14 day of November, 2006 by  
J.P. Adams.

My Commission Expires: 5-21-2008

  
Notary Public



W/2 of Section 3, T-18-S, R-34-E, N.M.P.M., Lea County, New Mexico.

<p>Tract 2</p> <p>Lease B-11469</p> <p>Gordon M. Cone, dec'd</p> <p><i>S. Sunflower 3 State Com #1 O</i></p>	<p>Tract 1</p> <p>Lease B-3936</p> <p>Chevron U.S.A. Inc.</p>
<p>Tract 3</p> <p>Lease B-10784</p> <p>BP America Production Company</p>	<p>Tract 4</p> <p>Lease B-10784</p> <p>Dalport Oil Corporation</p>
<p>Tract 6</p> <p>Lease V-7240</p> <p>OXY USA WTP Limited Partnership</p>	<p>Tract 5</p> <p>Lease B-1446</p> <p>Chevron U.S.A. Inc.</p>

EXHIBIT A

## EXHIBIT B

### **TRACT NO. 2**

Lease Serial No.:	B-11469-1
Lease Date:	September 11, 1944
Lessor:	State of New Mexico
Lessee of Record:	Estate of Gordon M. Cone, deceased (Heirs listed on page 2 of this exhibit)
Description of Land Committed:	Section 3: Lot 4
Number of Acres:	40.53 acres

### **TRACT NO. 4**

Lease Serial No.:	B-10784-2
Lease Date:	November 10, 1943
Lessor:	State of New Mexico
Lessee of Record:	Dalport Oil Corporation, a dissolved corporation (Shareholders listed on page 3 of this exhibit)
Description of Land Committed:	Section 3: SE/4NW/4
Number of Acres:	40.00 acres

Heirs of Gordon M. Cone

Douglas L. Cone  
2301 Quaker Avenue  
Lubbock, Texas 79410

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

Cathie Cone McCown  
P.O. Box 658  
Dripping Springs, Texas 78620

Clifford Cone  
P.O. Drawer 1509  
Lovington, New Mexico 88260

Kenneth G. Cone  
400 West Illinois  
Midland, Texas 79701

Shareholders of Dalport Oil Corporation

Dalport Oil Corporation  
5646 Milton Street, No. 413  
Dallas, Texas 75206

Raymond L. Todd  
1107 Shawnee Trail  
Carrollton, Texas 75006

Tommy L. Todd  
6722 East Northwest Highway  
Dallas, Texas 75231

Mary Anne Todd  
P.O. Box 2381  
Wimberly, Texas 78676

Thomas E. Todd, Jr.  
P.O. Box 338  
Ruidoso, New Mexico 88345

Virginia Todd  
8523 Thackery Street, Apt. 3307  
Dallas, Texas 75225

Margaret Todd Sherrill  
4920 North Carriage Road  
Hobbs, New Mexico 88240

Harry Todd, Jr.  
1407 Tanglewood Drive  
Dallas, Texas 75234

J. P. Adams  
Contract Landman



**BP America Production Company**  
501 Westlake Park Boulevard  
Houston, Texas 77079  
P. O. Box 3092  
Houston, Texas 77253-3092  
Telephone: 281-366-5252  
Facsimile: 281-366-7067  
Email: adamjc@bp.com  
Room: 6.197

September 5, 2006

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

RE: South Sunflower "3" State Com #1  
W/2 of Section 3, T18S-R34E  
Lea County, New Mexico

Dear Mr. Cone:

Enclosed for execution, as Lessee of Record, is two Communitization Agreements for the captioned well that has been completed as a Morrow producer. Please return, at your earliest convenience, one of the documents after it has been signed and acknowledged. Retain the other for your records.

A copy of the document will be returned after approval by the state and recording in the county records.

Sincerely,

EXHIBIT

**C-1**  
(Gordon Cone Heirs)

J. P. Adams  
Contract Landman



**BP America Production Company**  
501 Westlake Park Boulevard  
Houston, Texas 77079  
P. O. Box 3092  
Houston, Texas 77253-3092  
Telephone: 281-366-5252  
Facsimile: 281-366-7067  
Email: adamjc@bp.com  
Room: 6.197

September 5, 2006

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

RE: South Sunflower "3" State Com #1  
W/2 of Section 3, T18S-R34E  
Lea County, New Mexico

Dear Mr. Cone:

Enclosed for execution, as Lessee of Record, is two Communitization Agreements for the captioned well that has been completed as a Morrow producer. Please return, at your earliest convenience, one of the documents after it has been signed and acknowledged. Retain the other for your records.

A copy of the document will be returned after approval by the state and recording in the county records.

Sincerely,



J. P. Adams  
Contract Landman



**BP America Production Company**  
501 Westlake Park Boulevard  
Houston, Texas 77079  
P. O. Box 3092  
Houston, Texas 77253-3092  
Telephone: 281-366-5252  
Facsimile: 281-366-7067  
Email: adamjc@bp.com  
Room: 6.197

September 5, 2006

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

RE: South Sunflower "3" State Com #1  
W/2 of Section 3, T18S-R34E  
Lea County, New Mexico

Dear Mrs. Auvenshine:

Enclosed for execution, as Lessee of Record, is two Communitization Agreements for the captioned well that has been completed as a Morrow producer. Please return, at your earliest convenience, one of the documents after it has been signed and acknowledged. Retain the other for your records.

A copy of the document will be returned after approval by the state and recording in the county records.

Sincerely,

J. P. Adams  
Contract Landman



**BP America Production Company**  
501 Westlake Park Boulevard  
Houston, Texas 77079  
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Houston, Texas 77253-3092  
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Email: adamjc@bp.com  
Room: 6.197

September 5, 2006

Mr. Kenneth G. Cone  
400 W. Illinois  
Midland, TX 79702

RE: South Sunflower "3" State Com #1  
W/2 of Section 3, T18S-R34E  
Lea County, New Mexico

Dear Mr. Cone:

Enclosed for execution, as Lessee of Record, is two Communitization Agreements for the captioned well that has been completed as a Morrow producer. Please return, at your earliest convenience, one of the documents after it has been signed and acknowledged. Retain the other for your records.

A copy of the document will be returned after approval by the state and recording in the county records.

Sincerely,

J. P. Adams  
Contract Landman



**BP America Production Company**  
501 Westlake Park Boulevard  
Houston, Texas 77079  
P. O. Box 3092  
Houston, Texas 77253-3092  
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Facsimile: 281-366-7067  
Email: adamjc@bp.com  
Room: 6.197

September 5, 2006

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

RE: South Sunflower "3" State Com #1  
W/2 of Section 3, T18S-R34E  
Lea County, New Mexico

Dear Mr. Cone:

Enclosed for execution, as Lessee of Record, is two Communitization Agreements for the captioned well that has been completed as a Morrow producer. Please return, at your earliest convenience, one of the documents after it has been signed and acknowledged. Retain the other for your records.

A copy of the document will be returned after approval by the state and recording in the county records.

Sincerely,

J. P. Adams  
Contract Landman



**BP America Production Company**  
501 Westlake Park Boulevard  
Houston, Texas 77079  
P. O. Box 3092  
Houston, Texas 77253-3092  
Telephone: 281-366-5252  
Facsimile: 281-366-7067  
Email: adamjc@bp.com  
Room: 6.197

September 5, 2006

Dalport Oil Corporation  
5646 Milton St. #413  
Dallas, Texas 75206

RE: South Sunflower "3" State Com #1  
W/2 of Section 3, T18S-R34E  
Lea County, New Mexico

Gentlemen:

Enclosed for execution, as Lessee of Record, is a Communitization Agreement for the captioned well that has been completed as a Morrow producer. Please return, at your earliest convenience, the extra signature page after it has been signed and acknowledged.

A copy of the document will be returned after approval by the state and recording in the county records.

Sincerely,

A handwritten signature in black ink, appearing to read "JP Adams".

EXHIBIT **C-2**  
(Dalport Oil Corp. Successors)

J. P. Adams  
Contract Landman



**BP America Production Company**  
501 Westlake Park Boulevard  
Houston, Texas 77079  
P. O. Box 3092  
Houston, Texas 77253-3092  
Telephone: 281-366-5252  
Facsimile: 281-366-7067  
Email: adamjc@bp.com  
Room: 6.197

September 18, 2006

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

RE: South Sunflower "3" State Com #1  
W/2 of Section 3, T18S-R34E  
Lea County, New Mexico

Dear Mr. Todd:

Enclosed for execution, as Lessee of Record, is a Communitization Agreement for the captioned well that has been completed as a Morrow producer. Also, I have enclosed a portion of the Title Opinion rendered for the drilling of the Sunflower well.

I have highlighted the parts of the opinion that support the fact that the successors to Dalport Oil Corporation are Record Title owners, also known as Lessee of Record, and not owners of Operating Rights. The State of New Mexico holds the Record Title owners responsible for the lease while the owners of Operating Rights own rights to the working interest in the lease and any well drilled thereon. Much of the time the Record Title and Operating Rights are owned by the same company, but in this case, the two are split.

Please return the original after it has been signed and acknowledged. Retain the other for your records. A copy of the document will be returned after approval by the state and recording in the county records.

Sincerely,

J. P. Adams  
Contract Landman



**BP America Production Company**  
501 Westlake Park Boulevard  
Houston, Texas 77079  
P. O. Box 3092  
Houston, Texas 77253-3092  
Telephone: 281-366-5252  
Facsimile: 281-366-7067  
Email: adamjc@bp.com  
Room: 6.197

September 18, 2006

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

RE: South Sunflower "3" State Com #1  
W/2 of Section 3, T18S-R34E  
Lea County, New Mexico

Dear Mr. Todd:

Enclosed for execution, as Lessee of Record, is a Communitization Agreement for the captioned well that has been completed as a Morrow producer. Also, I have enclosed a portion of the Title Opinion rendered for the drilling of the Sunflower well.

I have highlighted the parts of the opinion that support the fact that the successors to Dalport Oil Corporation are Record Title owners, also known as Lessee of Record, and not owners of Operating Rights. The State of New Mexico holds the Record Title owners responsible for the lease while the owners of Operating Rights own rights to the working interest in the lease and any well drilled thereon. Much of the time the Record Title and Operating Rights are owned by the same company, but in this case, the two are split.

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Sincerely,

J. P. Adams  
Contract Landman



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Email: adamjc@bp.com  
Room: 6.197

September 18, 2006

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

RE: South Sunflower "3" State Com #1  
W/2 of Section 3, T18S-R34E  
Lea County, New Mexico

Dear Ms. Todd:

Enclosed for execution, as Lessee of Record, is a Communitization Agreement for the captioned well that has been completed as a **Morrow** producer. Also, I have enclosed a portion of the Title Opinion rendered for the drilling of the Sunflower well.

I have highlighted the parts of the opinion that support the fact that the successors to Dalport Oil Corporation are Record Title owners, also known as Lessee of Record, and not owners of Operating Rights. The State of New Mexico holds the Record Title owners responsible for the lease while the owners of Operating Rights own rights to the working interest in the lease and any well drilled thereon. Much of the time the Record Title and Operating Rights are owned by the same company, but in this case, the two are split.

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Sincerely,

J. P. Adams  
Contract Landman



**BP America Production Company**  
501 Westlake Park Boulevard  
Houston, Texas 77079  
P. O. Box 3092  
Houston, Texas 77253-3092  
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Facsimile: 281-366-7067  
Email: adamjc@bp.com  
Room: 6.197

September 18, 2006

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

RE: South Sunflower "3" State Com #1  
W/2 of Section 3, T18S-R34E  
Lea County, New Mexico

Dear Mrs. Barfield:

Enclosed for execution, as Lessee of Record, is a Communitization Agreement for the captioned well that has been completed as a Morrow producer. Also, I have enclosed a portion of the Title Opinion rendered for the drilling of the Sunflower well.

I have highlighted the parts of the opinion that support the fact that the successors to Dalport Oil Corporation are Record Title owners, also known as Lessee of Record, and not owners of Operating Rights. The State of New Mexico holds the Record Title owners responsible for the lease while the owners of Operating Rights own rights to the working interest in the lease and any well drilled thereon. Much of the time the Record Title and Operating Rights are owned by the same company, but in this case, the two are split.

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Sincerely,



J. P. Adams  
Contract Landman



**BP America Production Company**

501 Westlake Park Boulevard  
Houston, Texas 77079  
P. O. Box 3092  
Houston, Texas 77253-3092  
Telephone: 281-366-5252  
Facsimile: 281-366-7067  
Email: adamjc@bp.com  
Room: 6.197

September 18, 2006

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

RE: South Sunflower "3" State Com #1  
W/2 of Section 3, T18S-R34E  
Lea County, New Mexico

Dear Mrs: Sherrill

Enclosed for execution, as Lessee of Record, is a Communitization Agreement for the captioned well that has been completed as a Morrow producer. Also, I have enclosed a portion of the Title Opinion rendered for the drilling of the Sunflower well.

I have highlighted the parts of the opinion that support the fact that the successors to Dalport Oil Corporation are Record Title owners, also known as Lessee of Record, and not owners of Operating Rights. The State of New Mexico holds the Record Title owners responsible for the lease while the owners of Operating Rights own rights to the working interest in the lease and any well drilled thereon. Much of the time the Record Title and Operating Rights are owned by the same company, but in this case, the two are split.

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Sincerely,

J. P. Adams  
Contract Landman



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Room: 6.197

September 18, 2006

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

RE: South Sunflower "3" State Com #1  
W/2 of Section 3, T18S-R34E  
Lea County, New Mexico

Dear Mr. Todd:

Enclosed for execution, as Lessee of Record, is a Communitization Agreement for the captioned well that has been completed as a Morrow producer. Also, I have enclosed a portion of the Title Opinion rendered for the drilling of the Sunflower well.

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Sincerely,

A handwritten signature in dark ink, appearing to read "JP Adams", written over a horizontal line.

A part of the BP Group

A handwritten signature in dark ink, appearing to read "J. P. Adams", written over a horizontal line.

A part of the BP Group



J. P. Adams  
Contract Landman

**BP America Production Company**  
501 Westlake Park Boulevard  
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Facsimile: 281-366-7067  
Email: adamjc@bp.com  
Room: 6.197

September 18, 2006

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

RE: South Sunflower "3" State Com #1  
W/2 of Section 3, T18S-R34E  
Lea County, New Mexico

Dear Mrs. Todd:

Enclosed for execution, as Lessee of Record, is a Communitization Agreement for the captioned well that has been completed as a Morrow producer. Also, I have enclosed a portion of the Title Opinion rendered for the drilling of the Sunflower well.

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J. P. Adams  
Contract Landman



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Telephone: 281-366-5252  
Facsimile: 281-366-7067  
Email: adamjc@bp.com  
Room: 6.197

September 18, 2006

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

RE: South Sunflower "3" State Com #1  
W/2 of Section 3, T18S-R34E  
Lea County, New Mexico

Dear Mr. Todd:

Enclosed for execution, as Lessee of Record, is a Communitization Agreement for the captioned well that has been completed as a Morrow producer. Also, I have enclosed a portion of the Title Opinion rendered for the drilling of the Sunflower well.

I have highlighted the parts of the opinion that support the fact that the successors to Dalport Oil Corporation are Record Title owners, also known as Lessee of Record, and not owners of Operating Rights. The State of New Mexico holds the Record Title owners responsible for the lease while the owners of Operating Rights own rights to the working interest in the lease and any well drilled thereon. Much of the time the Record Title and Operating Rights are owned by the same company, but in this case, the two are split.

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