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2006 NOV 13 PM 1 23

November 13, 2006

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

Case 13839

Dear Florene:

Enclosed for filing, on behalf of JTD Resources, LLC, 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 December 13, 2006 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for JTD Resources, LLC

PERSONS BEING POOLED

ConocoPhillips Company  
P.O. Box 2197  
Houston, TX 77252

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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**APPLICATION OF JTD RESOURCES,  
LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

Case No. 13839

**APPLICATION**

JTD Resources, LLC applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E $\frac{1}{2}$  of Section 23, Township 21 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

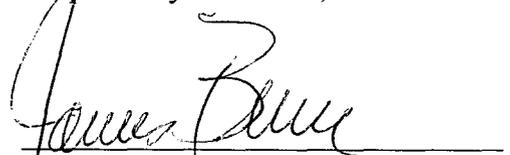
1. Applicant is an interest owner in the E $\frac{1}{2}$  of Section 23, and has the right to drill a well thereon.
2. Applicant proposes to drill its Papa Joe "23" Fed. Well No. 1, at an orthodox location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 23, to a depth sufficient to test the Morrow formation, and seeks to dedicate the E $\frac{1}{2}$  of Section 23 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, including the Undesignated Hat Mesa-Morrow 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 23 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 E $\frac{1}{2}$  of Section 23, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 23 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 23, 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; 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 JTD Resources, LLC

PROPOSED ADVERTISEMENT

Case No. 13839: **Application of JTD Resources, LLC to for compulsory pooling, Lea County, New Mexico:** JTD Resources, LLC seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 23, Township 21 South, Range 32 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, including the Undesignated Hat Mesa-Morrow Gas Pool. The unit is to be dedicated to the Papa Joe "23" Fed. Well No. 1, to be drilled at an orthodox location in the NE/4NE/4 of Section 23. 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 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 8 miles southeast of the intersection of U.S. Highway 62/180 and State Highway 176.

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