

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

IN THE MATTER OF THE
APPLICATION OF ENCORE ACQUISITION
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 13941

APPLICATION FOR COMPULSORY POOLING

ENCORE ACQUISITION COMPANY applies for an order pooling all mineral interests all mineral interests from the surface of the earth to a depth sufficient to a depth of 12,750 feet or a depth sufficient to test the Morrow formation underlying the W/2 of Section 12, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico (Section 12). In support of this application, Applicant states:

1. Applicant is an interest owner in the W/2 of Section 12, and has the right to drill thereon.
2. Applicant proposes to drill its Encore 12 State Com No. 1 well to be located at a standard well location 910 FSL and 1100 FWL of Section 12. Applicant seeks to dedicate the W/2 of Section 12 to the well to forming a standard 320 acre spacing and proration unit for any formations or pools developed on 320 acre spacing within the vertical extent of the well.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2 of Section 12 for the purposes set forth herein.
4. Certain mineral owners have failed or refused to join in the drilling of the

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proposed well, therefore, applicant seeks an order pooling all mineral interest owners in the W/2 of Section 12 pursuant to NMSA 1978, Section 70-2-17.

5. The pooling of all mineral interests in the Morrow formation underlying the W/2 of Section 12 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/2 of Section 12;
- B. Designating Applicant as the operator of the well;
- C. Considering the cost of 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.

PADILLA LAW FIRM, P.A.

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NMOCD Case No. 13941; *Application of Encore Acquisition Company for compulsory pooling, Lea County, New Mexico*; Applicant seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 12, Township 17 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Applicant proposes to drill its Encore 12 State Com No. 1 well to be located at a standard gas well location 910 feet from the south line and 1100 feet from the west line of said Section 12. Applicant seeks to dedicate the W/2 of Section 12 to the well 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 Morrow formation. The subject lands are located approximately 6 miles northeast of Buckeye, New Mexico.