

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

2006 DEC 5 PM 4 55

December 5, 2006


Case 13853

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

Dear Florene:

Enclosed for filing, on behalf of Myco Industries, Inc., are an original and one copy of four applications for compulsory pooling, together with proposed advertisements. The advertisements have also been e-mailed to the Division. Please set these matters for the January 4, 2007 Examiner hearing. Thank you.

Very truly yours,


James Bruce
Attorney for Myco Industries, Inc.

Parties Being Pooled

S½ §34-15S-24E

EOG Resources, Inc.
P.O. Box 2267
Midland, Texas 79702

N½ §34-15S-24E

EOG Resources, Inc.
P.O. Box 2267
Midland, Texas 79702

The Allar Company
P.O. Box 1567
Graham, Texas 76450

Attention: John C. Graham

Talus, Inc.
5th and Echo
Graham, Texas 76450

Twin Montana, Inc.
5th and Echo
Graham, Texas 76450

Alfalfa 32 Fee #1
S/2 of Sec. 32: T15S, R25E

Dennis Cheryl Colclough
No available address

L.J. Meers
No available address

Louis F. Hamilton
No available address

The Trustees of the John A. Holmstrom
And Evelyn A. Holmstrom 1992 Trust
No available address

N.R.L.L., Inc.
No available address

Elaine B. Flint
No available address

Dolores Thomas
No available address

Martha J. Mock
No available address

Carol Jean Dexter Purcell
No available address

Margaret Louise Doyle & John Steven Doyle
No available address

Robert E. Downer & Selma I. Downer
Downer Family Trust of 1991
No available address

Virginia Weber
No available address

Kurt A. Weber
No available address

Albert Smith & Dorothy Smith
No available address

Mattie Fate Flint
No available address

Emily Katherine Flint Boyd
No available address

Rosemary Flint Wayte
No available address

Curtis F. Webb
No available address

Timothy O. Bayer
No available address

Margaret Old Carr
No available address

Cecil Albright & Hester Albright
No available address

James L. Connally
No available address

John A. Rooks
No available address

Lenord L. Connally
No available address

Leroy J. Rooks
No available address

Frances E. Rooks Summers f/k/a
Frances Elizabeth Rooks Blount
No available address

H.H. McLaren
No available address

Capstone Oil & Gas Company
Attn: Dale Douglas
P.O. Box 10187
Midland, TX 79702

EOG Resources, Inc.
Attn: Rick Lanning
P.O. Box 2267
Midland, TX 79702

Parallel Petroleum
Attn: Mike Gray
P.O. Box 10587
Midland, TX 79702

OXY WTP USA, LP
6 Desta Drive, Suite 6000
Midland, TX 79705-5505

Spiral, Inc.
P.O. Box 1933
Roswell, NM 88201

Dominion Exploration & Production, Inc.
P.O. Box 95296
New Orleans, LA 70195

Marathon Oil
P.O. Box 3487
Houston, TX 77253-3487

Milo 33 Fee #1
S/2 of Sec. 33: T15S, R25E

Louis F. Hamilton
No available address

The Trustees of the John A. Holmstrom
and Evelyn A. Holmstrom 1992 Trust
No available address

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No available address

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No available address

Dolores Thomas
No available address

Martha J. Mock
No available address

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P.O. Box 1933
Roswell, NM 88201

Dominion Exploration & Production, Inc.
P.O. Box 95296
New Orleans, LA 70195

2006 DEC 5 10 19 AM
BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MYCO INDUSTRIES, INC.
FOR COMPULSORY POOLING, CHAVES
COUNTY, NEW MEXICO.**

Case No. 13853

APPLICATION

Myco Industries, Inc. applies for an order pooling all mineral interests in the Wolfcamp formation underlying the S½ of Section 34, Township 15 South, Range 24 East, N.M.P.M., Chaves County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S½ of Section 34, and has the right to drill a well thereon.
2. Applicant proposes to drill its Starr 34 Fee Well No. 1, to a depth sufficient to test the Wolfcamp formation, and seeks to dedicate the S½ of Section 34 to the well to form a standard 320 acre gas spacing unit (project area) in the Wolfcamp formation. The well will be a horizontal well, and its location will be orthodox within the producing area.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S½ of Section 34 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 S½ of Section 34, pursuant to NMSA 1978 §70-2-17.
5. The pooling of all mineral interests underlying the S½ of Section 34 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 S½ of Section 34 in the Wolfcamp 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,

A handwritten signature in black ink, appearing to read "James Bruce", written over a horizontal line.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Myco Industries, Inc.

PROPOSED ADVERTISEMENT

Case No. 13853 : **Application of Myco Industries, Inc. for compulsory pooling, Chaves County, New Mexico.** Myco Industries, Inc. seeks an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 34, Township 15 South, Range 24 East, NMPM, to form a 320-acre gas spacing unit (project area) in the Wolfcamp formation. The unit is to be dedicated to the Starr 34 Fee Well No. 1, a horizontal well which will have an orthodox location within the producing area. 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 9-1/2 miles west-southwest of Lake Arthur, New Mexico.

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