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W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

June 19, 1995

**HAND DELIVERED**

**RECEIVED**

JUN 19 1995

Oil Conservation Division

Mr. Michael E. Stogner  
Chief Hearing Examiner  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Re: Turkey Track 2 State Com Well No. 1  
*Application of Bass Enterprises Production Co.  
for Compulsory Pooling,  
Eddy County, New Mexico*

Dear Mr. Stogner:

On behalf of Bass Enterprises Production Co., please find enclosed our application for compulsory pooling which we request be set for hearing on the Examiner's docket now scheduled for July 13, 1995. Also enclosed is our proposed notice of publication for this case.

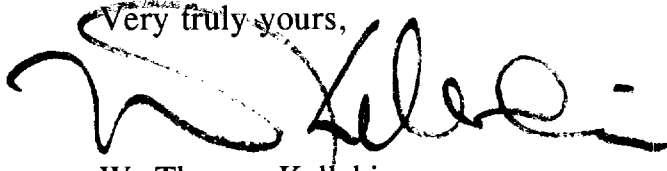
By copy of this letter, including the application, to all affected parties, we are notifying them by certified mail-return receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application.

Oil Conservation Division

June 19, 1995

Page 2.

Pursuant to the Division's Memorandum 2-90, all interested parties are hereby informed that if they appear in the case, then they are requested to file a Pre-Hearing Statement with the Division not later than 4:00 pm on Friday, July 7, 1995, with a copy delivered to the undersigned.

Very truly yours,  
  
W. Thomas Kellahin

Enclosure

cc: Bass Enterprises Production Co.  
Attn: Wayne Bailey

cc: BY CERTIFIED MAIL-RETURN RECEIPT REQUESTED  
All parties listed in Exhibit "A" of the Application

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Oil Conservation Division

**PROPOSED ADVERTISEMENT FOR NMOCD DOCKET**

**CASE 11,436**: Application of Bass Enterprises Production Co. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 2, T19S, R28E, NMPM, Eddy County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently includes but is not necessarily limited to the North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard oil well location in Unit H of said Section 2. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 13 miles southwest from Loco Hills, New Mexico.

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

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JUN 19 1995

Oil Conservation Division

IN THE MATTER OF THE APPLICATION  
OF BASS ENTERPRISES PRODUCTION CO.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 11336

A P P L I C A T I O N

Comes now BASS ENTERPRISES PRODUCTION CO. ("Bass") by its attorneys, Kellahin & Kellahin, and in accordance with Section 70-2-17(c) (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 2, T19S, R28E, NMPM, Eddy County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently includes but is not necessarily limited to the North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard oil well location in Unit H of said Section 2. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well.

In support of its application, Bass Enterprises Production Co., states:

1. Bass has a working interest in the oil and gas minerals underlying a portion of the E/2 of Section 2, T19S, R28E, NMPM, Eddy County, New Mexico.

2. The subject tract is located within one mile of the current boundaries of the North Turkey Track-Morrow Gas Pool, which is spaced on 320-acre gas spacing and proration units.

3. Bass has proposed to all working interest owners that a standard 320-acre gas spacing and proration unit consisting of the E/2 of said Section 2 be pooled and dedicated to its Turkey Track 2 State Com. Well No 1 to be drilled and located at a standard gas well location in Unit H of said Section 2.

4. All of the working interest ownership of the oil & gas minerals from the surface to the base of the Morrow formation underlying the E/2 of Section 2 have voluntarily agreed to the formation of this spacing unit for this well with the exception of those parties listed on Exhibit "A."

5. As of the date of this application, Bass has not be able to obtain a written voluntary agreement from the parties listed on Exhibit "A".

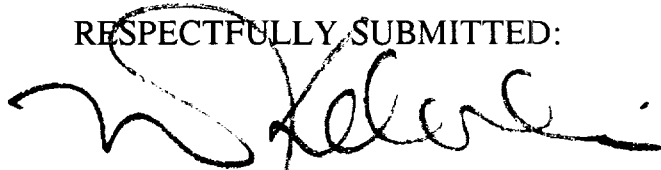
6. Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, Bass needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

7. In accordance with the Division's notice requirements, a copy of this application has been sent to the interest parties listed on Exhibit "A" notifying them of this case and of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for July 13, 1995.

WHEREFORE, Bass, as applicant, requests that this application be set for hearing on July 13, 1995 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in this spacing unit for the drilling of the subject well at the proposed standard gas well location upon terms and conditions which include:

- (1) Bass Enterprises Production Co. be named operator;
- (2) The order make provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) In the event a working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200 %;
- (4) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', is written over the typed name and address below.

W. THOMAS KELLAHIN  
KELLAHIN & KELLAHIN  
P. O. Box 2265  
Santa Fe, New Mexico 87501  
(505) 982-4285

EXHIBIT "A"

NAME

Amoco Production Company,  
P. O. Box 3092  
Houston, Texas 772531  
Attn: Mr. Jerry West

Santa Fe Energy Resources, Inc.  
550 W. Texas, Suite 1330  
Midland, Texas 79701  
Attn: Curtis Smith