

BEFORE THE  
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF ANSON GAS CORPORATION FOR  
COMPULSORY POOLING, DIRECTIONAL  
DRILLING AND AN UNORTHODOX  
BOTTOMHOLE WELL LOCATION,  
LEA COUNTY, NEW MEXICO.

**RECEIVED**

AUG 29 1995

Oil Conservation Division

CASE NO. 11372

**AMENDED APPLICATION**

AnSon Gas Corporation ("AnSon"), through its undersigned attorneys, hereby makes application for an order pooling all mineral interests from the surface to the base of the Devonian formation in a standard oil proration unit comprised of the NE/4 NW/4 of Section 33, Township 16 South, Range 38 East, N.M.P.M., Lea County, New Mexico; and approving directional drilling of the Mary "33" Well No. 1 to an unorthodox bottomhole location and in support of this application states:

1. On August 9, 1994, the Oil Conservation Division entered Order No. R-10169 granting the application of AnSon for compulsory pooling of all mineral interests from the surface to the base of the Strawn formation in the SE/4 NW/4 of Section 33, Township 16 South, Range 38 East, N.M.P.M., Lea County, New Mexico. This spacing unit was dedicated to the AnSon Mary "33" Well No. 1 which was drilled on the pooled acreage at a standard location 2040 feet from the North line and 2310 feet from the West line of said Section 33. It was not a successful well in the Strawn formation.

2. While the drilling rig was on location, AnSon received permission from the Oil Conservation Division's District Office in Hobbs, New Mexico to side track the well and directionally drill to an unorthodox bottomhole location in the NW/4 NE/4 of said Section 33.

3. AnSon now seeks the pooling of all interests in the Devonian formation in a standard 40-acre oil proration unit comprised of the NE/4 NW/4 of said Section 33.

4. Since the original compulsory pooling hearing for this well, AnSon has continued to reach voluntary agreement with the interest owners in the NE/4 NW/4 of Section 33 and now owns or represents approximately 99% of the working interest in the NE/4 NW/4 of said Section 33. AnSon has the right to drill on this acreage.

5. AnSon has sought and been unable to locate and/or obtain the voluntary agreement for pooling or farmout from certain interest owners in the NE/4 NW/4 of said Section 33.

6. AnSon proposes to dedicate the new 40-acre pooled unit in the Devonian formation to the Mary "33" Well No. 1.

7. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and protect correlative rights.

8. To permit applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and applicant should be designated the operator of the well and the lands dedicated thereto.

9. AnSon also seeks approval of the directional drilling of this well to an unorthodox bottomhole location in the Devonian formation 1100 feet from the North line and 2550 feet from the West line of said Section 33. AnSon is the only operator on whom this location will encroach.

WHEREFORE, AnSon Gas Corporation requests: that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on September 21, 1995 and, after notice and hearing as required by law, the Division enter its order:

A. pooling the lands, including provisions designating AnSon Gas Corporation operator of the standard proration unit comprised of the NE/4 NW/4 of said Section 33, and authorizing AnSon to recover its costs of drilling, equipping and completing the wells, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by Applicant in drilling, completing and equipping the well;

B. approving the directional drilling of the AnSon Mary "33" Well No. 1;

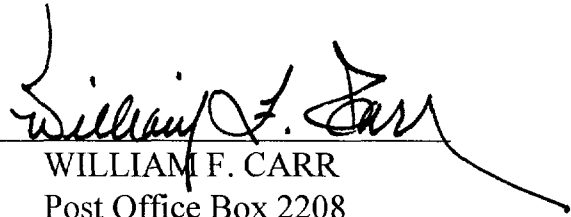
C. approving an unorthodox bottomhole location in the Devonian formation for this well 1100 feet from the North line and 2550 feet from the West line of said Section 33;  
and

D. making such other provisions as the Division deems appropriate.

Respectfully submitted,

CAMPBELL, CARR & BERGE, P.A.

By:

A handwritten signature in black ink, appearing to read "William F. Carr", written over a horizontal line.

WILLIAM F. CARR

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ATTORNEYS FOR ANSON  
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