

OIL CONSERVATION DIV.
BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF LYNX PETROLEUM
CONSULTANTS, INC. FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

No. 12465

APPLICATION

Lynx Petroleum Consultants, Inc. applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N $\frac{1}{2}$ of Section 13, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the N $\frac{1}{2}$ of Section 13, and has the right to drill a well thereon.

2. Applicant proposes to drill its Trapper 13 Fed. Well No. 1, at an orthodox well location 1980 feet from the north line and 660 feet from the east line of Section 13, and seeks to dedicate the following acreage to the well:

(a) The NE $\frac{1}{4}$ of Section 13 for all pools or formations developed on 160-acre spacing, including the Undesignated Lusk-Strawn Pool; and

(b) The N $\frac{1}{2}$ of Section 13 for all pools or formations developed on 320-acre spacing, including the Undesignated Lusk-Atoka Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N $\frac{1}{2}$ of Section 13 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 N½ of Section 13, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the N½ of Section 13, as set forth above, 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 N½ of Section 13, from the surface to the base of the Morrow formation, for the well units described above;

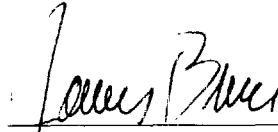
B. Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's working interest owners;

C. Approving actual operating charges and costs charged for supervision, together with a provision adjusting said rates as provided in the COPAS accounting procedure;

D. Setting a penalty for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well; and

E. Granting such further relief as the Division deems proper.

Respectfully submitted,

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

James Bruce
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Attorney for Lynx Petroleum
Consultants, Inc.