

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

IN THE MATTER OF THE APPLICATION
OF BK EXPLORATION CORPORATION
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. _____

124110

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APPLICATION

BK EXPLORATION CORPORATION, through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), for an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the SE/4 NE/4 of Section 34, Township 23 South, Range 28 East forming a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing, and in support thereof states:

1. BK Exploration Corporation is a working interest owner in the SE/4 NE/4 of Section 34, on which is located the Pardue "34" Well No. 1 which it proposes to re-enter and complete in the Delaware formation, East Loving-Brushy Canyon Pool at an approximate depth of 6000 feet. Said well is located at a standard oil well location 2310 feet from the North line and 660 feet from the East line of Section 34.
2. BK Exploration Corporation has sought and been unable to obtain either voluntary agreement for pooling from certain interest owners in the SE/4 NE/4 of said Section 34 identified on Exhibit A to this application.
3. Said pooling of interests will avoid the drilling of unnecessary wells, will

prevent waste and will protect correlative rights.

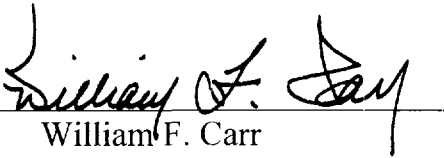
4. In order to permit BK Exploration to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and BK Exploration should be designated the operator of the well.

WHEREFORE, BK Exploration Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 1, 2000, and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating BK Exploration Corporation operator of these units and the well to be drilled thereon,
- C. authorizing BK Exploration Corporation to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by the Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 
William F. Carr

Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR BK EXPLORATION
CORPORATION

EXHIBIT A

**APPLICATION OF
BK EXPLORATION CORPORATION
FOR COMPULSORY POOLING
SE/4 NE/4 OF SECTION 34, TOWNSHIP 23 SOUTH, RANGE 28 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO**

James Minor Alexander
Post Office Box 58
Abilene, Texas 79604-0058

Jeri Alexander Lott
9102 Vicksburg Ave #17
Lubbock, Texas 79424

Martha Jane Alexander Rhodes
Post Office Box 58
Abilene, Texas 79604-0058

Marilyn Guitar Galusha Trust
Marilyn G. Galusha, Trustee
Post Office Box 1438
Abilene, Texas 79604-1438

S.P. Johnson III & Barbara Jo Johnson Trust
S. P. Johnson III & Barbara Jo Johnson, Trustees
Post Office Box 1713
Roswell, New Mexico 88202-1713

PJC Limited Partnership
Patricia J. Cooper
Post Office Box 1713
Roswell, New Mexico 88202-1713

JTV Partnership
Tracy C. Thompson
Post Office Box 1713
Roswell, New Mexico 88202-1713

LaPlant/Johnson Family Trust
Joel S. Johnson & Peggy LaPlant
7575 South Sundown Circle
Littleton, Colorado 80120

CASE ____: Application of BK Exploration Corporation for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the SE/4 NE/4 of Section 34, Township 23 South, Range 28 East, NMPM, for all formations developed on 40-acre spacing. Applicant proposes to dedicate these pooled units to its Pardue "34" Well No. 1, located 2310 feet from the North line and 660 feet from the East line (Unit H) of said Section 34 which it proposes to re-entered and recompleted in the East Loving-Brushy Canyon Pool. Also to be considered will the cost of drilling and completing said 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 charge for risk involved in drilling said well. Said area is located approximately 2 miles south of Loving, New Mexico.