

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

**IN THE MATTER OF THE APPLICATION  
OF ENERQUEST OIL & GAS, L.L.C.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

OIL CONSERVATION DIV.  
MAY - 9 PM 1:47  
CASE NO. 12411

**APPLICATION**

EnerQuest Oil & Gas, L.L.C. ("EnerQuest"), 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 in all formations developed on 160-acre spacing in the SW/4 of Section 18, Township 20 South, Range 39 East, NMPM, Lea County, New Mexico which includes but is not necessarily limited to the Blinebry formation, Blinebry Oil and Gas Pool, and in support thereof states:

1. EnerQuest is a working interest owner in the SW/4 of Section 18 and has the right to drill thereon.
2. By Order No. R-10986, dated May 7, 1998, the Division granted the application of Pioneer Natural Resources USA, Inc. for compulsory pooling of all mineral interests in the NE/4 SW/4 of said Section 18 forming a standard spacing proration unit for all formations spaced on 40-acre spacing to be dedicated to the McCasland "18" Fee Well No. 1 ("McCasland Well") which was drilled at a standard location in the SW/4 of Section 18.

3. Pioneer completed the McCasland Well in the Tubb formations but, in the first quarter of 1999, temporarily abandoned the Tubb formation and completed the well in the Blinberry formation which is developed on 160-acre spacing and proration units.

4. In August 1999, EnerQuest acquired all of the interest of Pioneer in this acreage and assumed operations of the well.

5. EnerQuest seeks an order pooling the SW/4 of Section 18 to form a standard spacing and proration unit for the McCasland Well.

6. EnerQuest has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the subject spacing unit identified on Exhibit A to this application.

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

8. In order to permit the EnerQuest to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and EnerQuest Resources, L.L.C. should be designated the operator of the well.

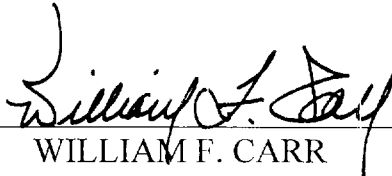
WHEREFORE, EnerQuest Oil & Gas, L.L.C. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 1, 2000 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration unit,
- B. designating EnerQuest Resources, L.L.C. operator of this unit and the McCasland Well,

- C. authorizing EnerQuest Oil & Gas, L.L.C. 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 EnerQuest 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.

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ATTORNEYS FOR ENERQUEST OIL & GAS, L.L.C.

**EXHIBIT A**

**APPLICATION OF  
ENERQUEST OIL & Gas, L.L.C.  
FOR COMPULSORY POOLING  
SW/4 OF SECTION 18, TOWNSHIP 20 SOUTH, RANGE 39 EAST, N.M.P.M.  
LEA COUNTY, NEW MEXICO**

Doyle Hartman, Oil Operator  
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Dallas, Texas 75219

Ronald J. Byers  
2902 Steatsfond Drive  
Austin, Texas 78746

CASE 12911 :

Application of EnerQuest Oil & Gas, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations developed on 160-acre spacing in the SW/4 of Section 18, Township 20 South, Range 39 East, NMPM, including but not limited to the Blinebry formation, Blinebry Oil and Gas Pool. Said unit is to be dedicated to its McCasland "18" Fee Well No. 1 located at a standard location in the SW/4 of said Section 18 which has been drilled and completed in the Blinebry formation. Also to be considered will be 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, and designation of EnerQuest Resources, L.L.C. as operator of the well. Said area is located approximately 4 miles southeast of Nadine, New Mexico.