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February 13, 2001

**Via Fax and Hand Delivery**


Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Case 12606

Dear Florene:

Enclosed for filing are an application and proposed advertisement.  
Please set this matter for the March 8, 2001 hearing.

Very truly yours,

  
James Bruce  
(Attorney for Echo Production, Inc.)

Parties Being Pooled

Exxon Corporation  
Rio Pecos Corporation  
Pathfinder Exploration Co.  
Cannon Exploration Co.  
The Roger T. Elliot and Holly L. Elliot  
Family Limited Partnership, L.P.  
TARA-JON Corp.  
Mark D. Wilson  
Yates Petroleum Corporation  
Yates Drilling Company  
Myco Industries, Inc.  
Abo Petroleum Corporation  
James D. Brown, Jr.  
Roy L. Crow

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF ECHO PRODUCTION,  
INC. COMPANY FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.

No. 12606

APPLICATION

Echo Production, Inc. applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E½ of Section 27, Township 20 South, Range 21 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the E½ of Section 27, and has the right to drill a well thereon.

2. Applicant proposes to drill its Little Feat "27" Fed. Com. Well No. 1, at an orthodox well location in the SE¼SE¼ of the section, to a depth sufficient to test the Morrow formation, and seeks to dedicate the E½ of Section 27 to the well to form a standard 320 acre gas spacing and proration unit for any and all formations and/or pools developed on 320 acre spacing within that vertical extent, including the Undesignated Little Box Canyon-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E½ of Section 27 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 E½ of Section 27, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 27, 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 E½ of Section 27 from the base of the surface to the base of the Morrow formation;

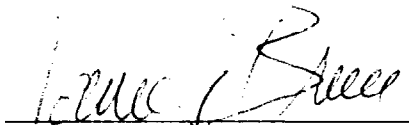
B. Designating applicant as operator of the well;

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

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting said rates pursuant to the COPAS accounting procedure; and

E. 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.

Respectfully submitted,

  
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James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Echo Production, Inc.