

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

IN THE MATTER OF THE APPLICATION OF  
D. J. SIMMONS, INC. FOR COMPULSORY POOLING,  
RIO ARRIBA COUNTY, NEW MEXICO

CASE NO. 12821

**APPLICATION**

D. J. SIMMONS, INC., by its undersigned attorneys, Miller, Stratvert  
Torgerson, P.A., (J. Scott Hall) hereby makes application pursuant to NMSA 1978  
Section 70-2-17 (1995) for an order pooling all interests from the surface to the base of  
the Mesaverde formation underlying the E/2 of Section 25, Township 25 North, Range 3  
West, NMPM, Rio Arriba County, New Mexico, to form standard spacing and proration  
units for any formations and/or pools spaced on 320 acres within said vertical extent, and  
in support thereof, Applicant would show the Division:

1. Applicant owns certain working interests in and under the E/2 of Section 25, and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled units to its Bishop Federal 25 No. 1 well to be drilled at a standard location 1,303 feet from the north line and 710 feet from the east line in the NE/NE of said Section 25 to a depth sufficient to test all formations in the pooled intervals, including the Mesaverde formation (Blanco Mesaverde Gas Pool), as well as the Chacra formation and the Gallup-Dakota formation (West Lindrith Gallup-Dakota Oil Pool).
3. Applicant has been unable to obtain voluntary agreement for pooling or farmout from certain other interest owners in the SE/4 of said Section 25.

09 JUN 24 11:05 AM '05

02 JUN 24 11:05 AM '05

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

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

WHEREFORE Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on February 21, 2002 and that after notice and hearing as required by law, the Division enter its Order pooling the lands, and including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges and providing for adjustments to such rates in accordance with accepted COPAS accounting procedures, and imposing a 200% risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well, and making such other and further provisions as maybe proper in the premises.

MILLER, STRATVERT & TORGERSON, P.A.

By J. Scott Hall

J. Scott Hall  
Attorneys for D. J. Simmons, Inc.  
Post Office Box 1986  
Santa Fe, New Mexico 87504-1986  
(505) 989-9614