

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

CASE NO. 12997

APPLICATION OF BP AMERICA PRODUCTION
COMPANY FOR COMPULSORY POOLING, SAN
JUAN COUNTY, NEW MEXICO.

APPLICATION

BP America Production Company applies for an order pooling all mineral interests from the base of the Pictured Cliffs formation to the top of the Dakota formation underlying the SE/4 of Section 24, Township 29 North, Range 12 West, N.M.P.M., and in support thereof, states:

1. Applicant is a working interest owner in the SE/4 of Section 24, and has the right to drill or re-complete a well thereon.
2. The Crawford Gas Com "B" Well No. 1E, located in the NW/4SE/4 of Section 24, has been drilled and completed in the Basin-Dakota Gas Pool.
3. Applicant proposes to re-complete the well in the Chacra formation, and seeks to dedicate the SE/4 of Section 24 to the Crawford Gas Com "B" Well No. 1E to form a standard 160 acre gas spacing and proration unit for any pools and/or formations developed on 160 acre spacing within that vertical extent, including the Undesignated Otero-Chacra Gas Pool.
4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SE/4 of Section 24 for the purposes set forth herein.
5. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the re-completion 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 SE/4 of Section 24 pursuant to NMSA Section 70-2-17.

6. The pooling of all mineral interests underlying the SE/4 of Section 24 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 SE/4 of Section 24, from the base of the Pictured Cliffs formation to the top of the Dakota formation;
- B. Naming applicant as operator of the well;
- C. Considering the cost of re-completing the well, and allocating the cost thereof to the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates as provided in the COPAS accounting procedure; and
- E. Setting a penalty for the risk involved in re-completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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Company

PROPOSED ADVERTISEMENT

Case 12997:

Application of BP America Production Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the top of the Dakota formation underlying the SE $\frac{1}{4}$ of Section 24, Township 29 North, Range 12 West, NMPM, to form a standard 160-acre gas spacing and proration unit for all formations and/or pools developed on 160 acre spacing within that vertical extent, including the Undesignated Otero-Chacra Gas Pool. The unit is to be dedicated to applicant's Crawford Gas Com "B" Well No. 1E, to be re-completed at an unorthodox gas well location in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24. Also to be considered will be the cost of re-completing the 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 the risk involved in re-completing the well. The well unit is located approximately 3 $\frac{1}{2}$ miles west of Bloomfield, New Mexico.