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2011 JUL -5 P 12:49

July 1, 2011

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

Case 1470²~~3~~

Dear Florene:

JTD Resources

Enclosed for filing, on behalf of ~~Mewbourne Oil Company~~, are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set the application for the August 4, 2011 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for JTD Resources, LLC

Names of Parties being pooled:

Marjorie Bates Page
P.O. Box 1923
Paradise, CA 95967

Heirs of William V. Farless, deceased

Heirs of William E. Farless, deceased

Joseph Farless
1602 Lundy SW
Albuquerque, NM 87105

Heirs of Charlene Ahlgrim, deceased

Heirs of Vernon McKinney, deceased

Kevin Ahlgrim
No. 2 Road 3007
Aztec, NM 87410

Heirs of Timothy Ahlgrim, deceased

Randy Ahlgrim
No. 2 Road 3007
Aztec, NM 87410

Kathleen Ahlgrim Reynolds
St. George, Utah

Vernell Fenn, address unknown

Male child of William V. Farless and Edna Condo, address unknown

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF JTD RESOURCES,
LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

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Case No. 1470²

APPLICATION

JTD Resources, LLC applies for an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4, and has the right to drill a well thereon.
2. Applicant proposes to drill its Collins Heirs Well No. 1, at an orthodox oil well location in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4, to a depth sufficient to test the Abo formation, and seeks to dedicate the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4 to the well to form a standard 40 acre oil and spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent, including the Undesignated West Nadine-San Andres Pool, West Nadine Paddock-Blinebry Pool, West Nadine-Tubb Pool, and West Nadine-Drinkard Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in drilling 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 NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4 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 NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4, from the surface to the base of the Abo formation;
- B. Designating Primero Operating, Inc. as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge 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,



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

Attorney for JTD Resources, LLC

PROPOSED ADVERTISEMENT

Case No. ²1470: *Application of JTD Resources, LLC for compulsory pooling, Lea County, New Mexico*: Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NE/4SW/4 of Section 4, Township 20 South, Range 38 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit is to be dedicated to the Collins Heirs Well No. 1, to be located at an orthodox location in the NE/4SW/4 of Section 4. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Primero Operating, Inc. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 2-1/2 miles southwest of Nadine, New Mexico.

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