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2014 OCT -2 A 9:00

September 30, 2014

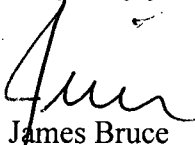
Case 15225

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

Dear Florene:

Enclosed for filing, on behalf of JLA Resources Company, are an original and one copy of an application for a nonstandard unit, unorthodox location, and compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set the application for the September 30, 2014 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for JLA Resources Company

Parties Being Pooled

Sidney Roger Davis
P.O. Box 29330
Austin, Texas 78754

Cindy Sullivan
10446 West Earll Drive
Avondale, Arizona 85323

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF JLA RESOURCES COMPANY
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT, UNORTHODOX OIL WELL
LOCATION, AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

2019 OCT -2 A 9:00

Case No. 15225

APPLICATION

JLA Resources Company applies for an order approving a non-standard oil spacing and proration unit in the Devonian formation comprised of the SW/4NW/4 of Section 1 and SE/4NE/4 of Section 2, Township 13 South, Range 37 East, N.M.P.M., approving an unorthodox oil well location in the Devonian formation, and pooling all mineral interests in the Devonian formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the SW/4NW/4 of Section 1 and SE/4NE/4 of Section 2, and has the right to drill a well thereon.
2. Applicant proposes to drill the Kinsolving 2 Well No. 1 at an unorthodox location 1750 feet from the north line and 30 feet from the east line of Section 2, to a depth sufficient to test the Devonian formation (undesignated Southwest Gladiola-Devonian Pool), and seeks to dedicate the SW/4NW/4 of Section 1 and SE/4NE/4 of Section 2 to the well.
3. The Southwest Gladiola-Devonian Pool is developed on the Division's statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line.
4. One well will drain reserves in the Devonian formation underlying the SW/4NW/4 of Section 1 and SE/4NE/4 of Section 2. Therefore, applicant requests that a non-

standard spacing and proration unit comprised of the SW/4NW/4 of Section 1 and SE/4NE/4 of Section 2 be dedicated to the well in the Devonian formation.

5. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SW/4NW/4 of Section 1 and SE/4NE/4 of Section 2 for the purposes set forth herein.

6. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling and 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 uncommitted mineral interest owners underlying the SW/4NW/4 of Section 1 and SE/4NE/4 of Section 2, pursuant to NMSA 1978 §§70-2-17, 18.

7. The granting of this application 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. Approving a non-standard oil spacing and proration unit in the Devonian formation comprised of the SW/4NW/4 of Section 1 and SE/4NE/4 of Section 2;
- B. Approving an unorthodox oil well location in the Devonian formation;
- C. Pooling all mineral interests in the Devonian formation underlying the non-standard unit;
- D. Designating Sojourner Drilling Corporation as operator of the well;
- E. Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's working interest owners;

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

A handwritten signature in cursive script, appearing to read "James Bruce", written over a horizontal line.

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

Attorney for JLA Resources Company

PROPOSED ADVERTISEMENT

Case No. 15225 :

Application of JLA Resources Company for a nonstandard oil spacing and proration unit, unorthodox oil well location, and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Devonian formation (Southwest Gladiola-Devonian Pool) comprised of the SW/4NW/4 of Section 1 and SE/4NE/4 of Section 2, Township 13 South, Range 37 East, N.M.P.M, Lea County, New Mexico, approving an unorthodox oil well location in the Devonian formation, and pooling all mineral interests in the Devonian formation underlying the non-standard unit. Applicant proposes to drill the Kinsolving 2 Well No. 1 at an unorthodox location 1750 feet from the north line and 30 feet from the east line of Section 2, to a depth sufficient to test the Devonian formation, and will dedicate the SW/4NW/4 of Section 1 and SE/4NE/4 of Section 2 to the well. 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 Sojourner Drilling Corporation as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9 miles east-southeast of Tatum, New Mexico.

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