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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

MAY 27 2003

APPLICATION OF BASS ENTERPRISES
PRODUCTION CO. FOR COMPULSORY
POOLING AND APPROVAL OF TWO NON-
STANDARD GAS SPACING AND PRORATION
UNITS, EDDY COUNTY, NEW MEXICO.

Oil Conservation Division

Case No. 13113
~~13286~~

APPLICATION

Bass Enterprises Production Co. applies for an order pooling all mineral interest owners from the surface to the base of the Morrow formation underlying Lots 1-4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ (the W $\frac{1}{2}$ equivalent) of Section 19, Township 21 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and approving two non-standard gas spacing and proration units, and in support thereof, states:

1. Applicant is an operator in the W $\frac{1}{2}$ of Section 19, and has the right to drill a well thereon.

2. Applicant proposes to drill its Big Eddy Unit Well No. 143, at an orthodox gas well location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 19, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:

(a) Lots 3, 4, and the E $\frac{1}{2}$ SW $\frac{1}{4}$ (the SW $\frac{1}{4}$) of Section 19 to form a non-standard 157.16 acre gas spacing and proration unit for any and all formations and/or pools developed on 160 acre spacing within that vertical extent; and

(b) The W $\frac{1}{2}$ of Section 19 to the well to form a non-standard 315.04 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 East Carlsbad-Wolfcamp Gas Pool, Undesignated East Carlsbad-Strawn

Gas Pool, Undesignated West Indian Flat-Atoka Gas Pool, and Undesignated East Carlsbad-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other interest owners in the W $\frac{1}{2}$ of Section 19 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 W $\frac{1}{2}$ of Section 19, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the W $\frac{1}{2}$ of Section 19 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 interest owners in the W $\frac{1}{2}$ of Section 19, from the surface to the base of the Morrow formation;
- B. Approving two non-standard gas spacing units;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates

pursuant to the COPAS accounting procedure; and

F. 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,

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

James Bruce
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Attorney for Bass Enterprises
Production Co.