

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2005 DEC 6 AM 8 06

APPLICATION OF EL PASO ENERGY RATON
CORPORATION FOR COMPULSORY POOLING,
COLFAX COUNTY, NEW MEXICO.

Case No. 13625

APPLICATION

El Paso Energy Raton Corporation applies for an order pooling all mineral interests in the Stubblefield Canyon Raton-Vermejo Gas Pool underlying the NW¼ of Section 23, Township 31 North, Range 19 East, N.M.P.M., Colfax County, New Mexico, and in support thereof, states:

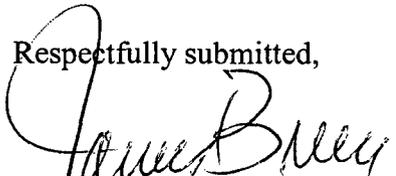
1. Applicant is an interest owner in the NW¼ of Section 23, and has the right to drill a well thereon.
2. Applicant has drilled its VPR "A" Well No. 223, at an orthodox gas well location in the NW¼ of Section 23, to a depth sufficient to test the Stubblefield Canyon Raton-Vermejo Gas Pool, and seeks to dedicate the NW¼ of Section 23 to the well to form a standard 160 acre gas spacing and proration unit in said pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the NW¼ of Section 23 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 NW¼ of Section 23, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the NW¼ of Section 23, as set forth above, 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 NW¼ of Section 23 in the Stubblefield Canyon Raton-Vermejo Gas Pool;
- B. Designating applicant 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 mineral 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 El Paso Energy Raton Corporation

PROPOSED ADVERTISEMENT

Case No. 13625 : **Application of El Paso Energy Raton Corporation for compulsory pooling, Colfax County, New Mexico:** El Paso Energy Raton Corporation seeks an order pooling all mineral interests in the Stubblefield Canyon Raton-Vermejo Gas Pool underlying the NW/4 of Section 23, Township 31 North, Range 19 East, NMPM, to form a standard 160-acre gas spacing and proration unit in said pool. The unit is to be dedicated to the VPR "A" Well No. 223, drilled at an orthodox gas well location in the NW/4 of Section 23. 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 applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 28 miles north of Cimarron, New Mexico.