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July 15, 2003

Hand Delivered

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

Dear Florene:

Enclosed are an original and one copy of an application for compulsory pooling, together with a proposed advertisement, filed on behalf of Unit Petroleum Company. Please set this matter for the August 7, 2003 Examiner hearing. Thank you.

The advertisement is also on the enclosed disk.

Very truly yours,


James Bruce

Attorney for Unit Petroleum Company

RECEIVED

JUL 15 2003

Oil Conservation Division

Case 13124

PARTIES BEING POOLED

M. Brad Bennett and
Hayes Land Corporation
P.O. Box 51510
Midland, Texas 79710

BTA Oil Producers et al.
c/o BTA Oil Producers
104 South Pecos
Midland, Texas 79701

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF UNIT PETROLEUM
COMPANY FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.

Case No. 13124

RECEIVED
JUL 15 2003
Oil Conservation Division

APPLICATION

Unit Petroleum Company applies for an order pooling all mineral interests from approximately 11,920 feet subsurface to the base of the Morrow formation underlying the E½ of Section 23, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and approving an unorthodox gas well location, and in support thereof, states:

1. Applicant is a working interest owner in the E½ of Section 23, and has the right to drill a well thereon.

2. Applicant proposes to drill its Byers Well No. 1, at an unorthodox gas well location 2100 feet from the south line and 1600 feet from the east line (Unit J) of Section 23, and seeks to dedicate the E½ of Section 23 to the well for all pools or formations developed on 320-acre spacing within that vertical extent, including the West Osudo-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E½ 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 E½ of Section 23,

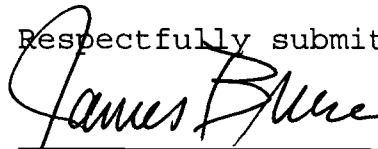
pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 23, and approval of the unorthodox gas well location, 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 E½ of Section 23, from approximately 11,920 feet subsurface to the base of the Morrow formation;
- B. Approving the unorthodox gas well location;
- C. Naming 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 as provided in 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,



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

Attorney for Unit Petroleum Company