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January 31, 2017

Case 15633

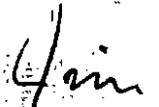
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of M & M Energy, LLC, are an application for compulsory pooling, together with a proposed advertisement. Please set this matter for the March 2, 2017 Examiner hearing.

Thank you.

Very truly yours,


James Bruce

Attorney for M and M Energy, LLC

Parties Being Notified

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Midland, TX 79705

Samson Resources Company
Suite 1500
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RSG Properties, Ltd.
2700 Racquet Club Drive
Midland, TX 79705

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF M & M ENERGY, LLC
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

Case No. 15633

APPLICATION

M & M Energy, LLC applies for an order pooling all mineral interests from the surface to the base of the San Andres formation underlying the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 6, Township 22 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 6, and has the right to re-enter or drill a well thereon.

2. Applicant proposes to re-enter and deepen the J.H. Day Well No. 3, located 330 feet from the south line and 2310 feet from the west line of Section 6, to a depth sufficient to test the San Andres formation, and seeks to dedicate the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 6 to the well to form a standard 40 acre oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing in that vertical extent.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 6 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the re-entry 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 SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 6, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 6 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 SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 6 from the surface to the base of the San Andres formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of re-entering and deepening 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 re-entering and deepening 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 M & M Energy, LLC

PROPOSED ADVERTISEMENT

Case No. 15633 :

Application of M & M Energy, LLC for compulsory pooling, Lea County, New Mexico. M & M Energy, LLC seeks an order pooling all mineral interests from the surface to the base of the San Andres formation underlying the SE/4SW/4 of Section 6, Township 22 South, Range 36 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 will be dedicated to the J.H. Day Well No. 3, to be re-entered and deepened at an orthodox location 330 feet from the south line and 2310 feet from the west line of Section 6. 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 8-1/2 mile west-southwest of Eunice, New Mexico.

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