

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SUNLIGHT EXPLORATION,
INC. FOR COMPULSORY POOLING, LEA
COUNTY, NEW MEXICO.

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SEP 10 2003
No. 13160 Oil Conservation Division

APPLICATION

Sunlight Exploration, Inc. applies for an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 14, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is the operator of the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 14, and has the right to re-enter or drill a well thereon.

2. Applicant proposes to re-enter the V. Linam Well No. 2, located 330 feet from the north line and 2310 feet from the west line of Section 14, and seeks to dedicate the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 14 to the well for all pools or formations developed on 40 acre spacing, including the Bronco-Wolfcamp Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 14 for the purposes set forth herein.

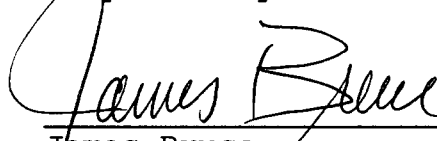
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the re-entry and drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 14, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the NE~~1~~/~~4~~NW~~1~~/~~4~~ of Section 14 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 NE~~1~~/~~4~~NW~~1~~/~~4~~ of Section 14, from the surface to the base of the Wolfcamp formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of re-entering, drilling, and completing the well, and allocating the cost thereof among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting those rates as provided in the COPAS accounting procedure;
- E. Setting a charge for the risk involved in re-entering, drilling, and completing the well in the event a working interest owner elects not to participate in the well; and
- F. Granting such further relief as the Division deems proper.

Respectfully submitted,



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Attorney for Sunlight Exploration,
Inc.

PROPOSED ADVERTISEMENT

Case 13160: Application of Sunlight Exploration, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 14, Township 13 South, Range 38 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Bronco-Wolfcamp Pool. The unit is to be dedicated to the existing V. Linam Well No. 2, located 330 feet from the north line and 2310 feet from the west line of Section 14, which is to be re-entered. Also to be considered will be the cost of re-entering, 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 charge for the risk involved in re-entering, drilling, and completing the well. The unit is located approximately 10 miles northeast of Prairieview, New Mexico.

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