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*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

December 19, 2000

HAND DELIVERED

Ms. Lori Wrotenbery, Director
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

**Re: Byers "23" Well No. 1
Application of BWB Partners I
for compulsory pooling
Lea County, New Mexico**

Case 12571

RECEIVED
DEC 19 10 11 AM '00

Dear Ms. Wrotenbery:

On behalf of BWB Partners I, please find enclosed our referenced application which we request be set for hearing on the Examiner's docket now scheduled for January 11, 2001. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,



W. Thomas Kellahin

cc: BWB Partners I
Attn: Bill Bennett

CASE 12571: Application of BWB Partners I for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, but excluding the Wolfcamp formation, in the following described spacing and proration units in Section 23, T20S, R35E, NMPM, Lea County, New Mexico, as follows: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the West Osudo-Morrow Gas Pool or West Osudo-Atoka Gas Pool; and the NE/4 for all formations and/or pools developed on 160-acre gas spacing which includes but is not necessarily limited to the Eumont Gas Pool, the Featherstone-Bone Springs Gas Pool, or the East Featherstone-Bone Springs Gas Pool. The units are to be dedicated to its Byers "23" Well No. 1 to be drilled at a standard location in Unit G of Section 23 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant, or its designate, as the operator of the well and a charge for risk involved in this well. This unit is located approximately 20 miles southwest of Hobbs, New Mexico.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION
OF BWB PARTNERS I
FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO.**

CASE NO. 12571

A P P L I C A T I O N

Comes now BWB Partners I by its attorneys, Kellahin & Kellahin, and in accordance with Section 70-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the surface to the base of the Morrow formation, but excluding the Wolfcamp formation, in the following described spacing and proration units in Section 23, T20S, R35E, NMPM, Lea County, New Mexico, as follows: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the West Osudo-Morrow Gas Pool or West Osudo-Atoka Gas Pool; and the NE/4 for all formations and/or pools developed on 160-acre gas spacing which includes but is not necessarily limited to the Eumont Gas Pool, the Featherstone-Bone Springs Gas Pool, or the East Featherstone-Bone Springs Gas Pool. The units are to be dedicated to its Byers "23" Well No. 1 to be drilled at a standard location in Unit G of Section 23 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant, or its designate, as the operator of the well and a charge for risk involved in this well.

In support of its application, BWB Partners I ("BWB") states:

1. BWB has the right to drill and develop the oil and gas minerals from the surface to the base of the Morrow formation underlying the E/2 of Section 23, T20S, R35E, NMPM, Lea County, New Mexico.
2. BWB has proposed this well and its appropriate spacing unit to the working interest owners in the spacing unit as identified on Exhibit "A" and Exhibit "B".
3. BWB, despite its good faith efforts, has been unable to obtain written voluntary agreement from all the parties listed on Exhibit "A" and Exhibit "B".

4. Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, the applicant needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

5. In accordance with the Division's notice requirements, a copy of this application has been sent to the parties whose interest are to be pooled and whose current addresses are known as listed on Exhibit "A" and Exhibit "B" of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for January 11, 2001.

WHEREFORE, BWB Partners I, as applicant, requests that this application be set for hearing on January 11, 2001 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in the appropriate spacing unit for the drilling of this well location upon terms and conditions which include:

- (1) BWB Partners I, or its designate, be named operator;
- (2) Provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) In the event a working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200%;
- (4) Provision for overhead rates per month drilling and per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS;
- (5) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:



W. THOMAS KELLAHIN
KELLAHIN & KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87504

EXHIBIT "A"
Parties to be pooled

BTA Oil Producers, et al¹
104 South Pecos
Midland, Texas 79701
Attn: C. Robert Crawford

Hayes Land Corporation
PO Box 51510
Midland, Texas 79710-1510
Attn: M. Brad Bennett

¹ Applicant seeks to pool the interests of BTA Oil Producers and all working interest owners who derived their interest from BTA Oil Producers. Applicant believes that the attached list is a correct list of those working interest owners and further believes that BTA Oil Producers will represent all those owners in this case.

EXHIBIT B

Allby Associates
Lloyd Alpern Trust
Bernard E. Alpern Trust
Bardamar Partnership
Joseph E. Bell-Bulley Trust
Blank Living Investment Trust
Jesse Climenko
James R. Currie
Robert M. Davenport
Thurston Dean, M.D.
First City National Bank, Trustee #80417-02-03-04
Forman Energy Corporation
Gerald M. Frank
Ann M. Gallop
M. Robert Gallop
Richard & Karlene Garber
Barbara G. Gilbert
Salvatore Glordano, R.s
The Glickman Revocable Living Trust
Milton S. Gould
Louis Jackson
Sylvia F. Jackson
NCNB Texas National Bank, Trustee
for trust #1430-1-09
NCNB Texas National Bank, Trustee
for trust #1430-2-09
NCNB Texas National Bank, Trustee
for trust #1430-3-09
NCNB Texas National Bank, Trustee
for trust #1430-4-09
NCNB Texas National Bank, Trustee
for trust #1430-5-09
Oxnard Investors
Roger P. Palma
Saul Poliak Revocab's Management Trust
George T. Scharffenbarger
William A. Shea
Robert C. Stone
Pamela Stone
Gary R. Stone
Mary R. Stone
Robert J. Strassenburgh, II
Trobaugh Properties
Elizabeth Wolf
Ilwa B. Wolf Estate
Carlton Beal
Carlton Beal, Jr.
Barry Beal
Spencer Beal
Kelly Beal
Barry Beal, Jr.

Gerald N. Frank
HRK Equity Corporation
Trust U/W/O Samuel Klau
Roger P. Palma
Keleen H. Beal