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APR 17 1989

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF BASS ENTERPRISES PRODUCTION
COMPANY FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO

CASE: 9665

A P P L I C A T I O N

COMES NOW, BASS ENTERPRISES PRODUCTION COMPANY, by and through its attorneys, Kellahin, Kellahin and Aubrey, 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 interest from surface to base of Queen formation underlying the NE/4 SE/4 of Section 21, T18S, R35E, Lea County, New Mexico. The above described unit is to be dedicated to its Reeves 21 State Well No. 3 to be drilled to a depth of approximately 4,600 feet at standard well location in said Section 21, the primary objective of which is the Reeves Queen Oil Pool and in support thereof would show:

1. Applicant is a working interest owner in the NE/4 SE/4 of Section 21, T18S, R35E.
2. Applicant desires to drill a well at a standard location anticipated to be 1,980' FSL and 780' FEL in the NE/4 SE/4 of Section 21 to test for production in the Reeves Queen Oil Pool.

3. Applicant, has sought a voluntary agreement with all interested parties for the formation of an appropriate spacing and proration unit for the drilling of the subject well but has been unable to obtain a voluntary agreement from those parties shown on Exhibit "A" attached hereto.

4. Pursuant to the Division notice requirements, applicant has notified all those parties shown on Exhibit "A" of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on May 10, 1989.

5. Attached as Exhibit B is a copy of a portion of an petroleum landmap showing the subject spacing unit and the surrounding acreage.

6. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interests involved in order to protect applicant's correlative rights and prevent waste.

WHEREFORE, applicant prays that this application be set for hearing 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 herein. Applicant further prays that it be named operator of the well, and that the order make provisions for applicant to recover out of production its costs of drill-

ing, equipping and completing the subject well, costs of operation, including costs of supervision, and a risk factor in the amount of 200% for the drilling and completing of the well, for such other and further relief as may be proper.

Respectfully submitted,



By

W. Thomas Kellahin
Kellahin, Kellahin & Aubrey
P.O. Box 2265
Santa Fe, New Mexico 87504

(505) 982-4285

PARTIES TO POOL, OBTAIN PARTICIPATION COMMITMENT OR FARMOUT
N/2 SE/4 Section 21, T18S, R35E, N.M.P.M.
Lea County, New Mexico

Parties	Ownership ¹
King Ranch Oil & Gas, Inc. Two Greenspoint Plaza, Suite 1460 16825 Northchase Houston, Texas 77060	15.00000000%
The Grayrock Corporation 2121 San Jacinto Street Suite 3000 Lock Box 85 Dallas, Texas 75201	7.50000000%
NCNB Texas National Bank, Trustee of Trust Nos. 1362, 1363 and 1364 P. O. Box 270 Midland, Texas 79702	7.50000000%
W. C. Blanks and wife, Violette Blanks 500 West Wall Street Suite 302 Midland, Texas 79701	6.00000000%
American Cometra, Inc. 500 Throckmorton Street Suite 2500 Fort Worth, Texas 76102	7.20000000%
Polaris Production Corp. P. O. Box 1749 Midland, Texas 79702	1.57500000%
H. Grady Payne, III 7100 Grapevine Highway Suite 204 Fort Worth, Texas 76118	.22500000%
Power-Can Resources, Inc. P.O. Box 91340 West Vancouver, BC Canada V7V3N9	3.75000000%
Producers Engineering Company 1300 Main Street Suite 1150 Houston, Texas 77002	5.62500000%

Georgetown Exploration, Inc.
707 Travis
Suite 1700
Houston, Texas 77002

5.62500000%

Yates Exploration, Inc.
P. O. Drawer O
Albuquerque, New Mexico 87103

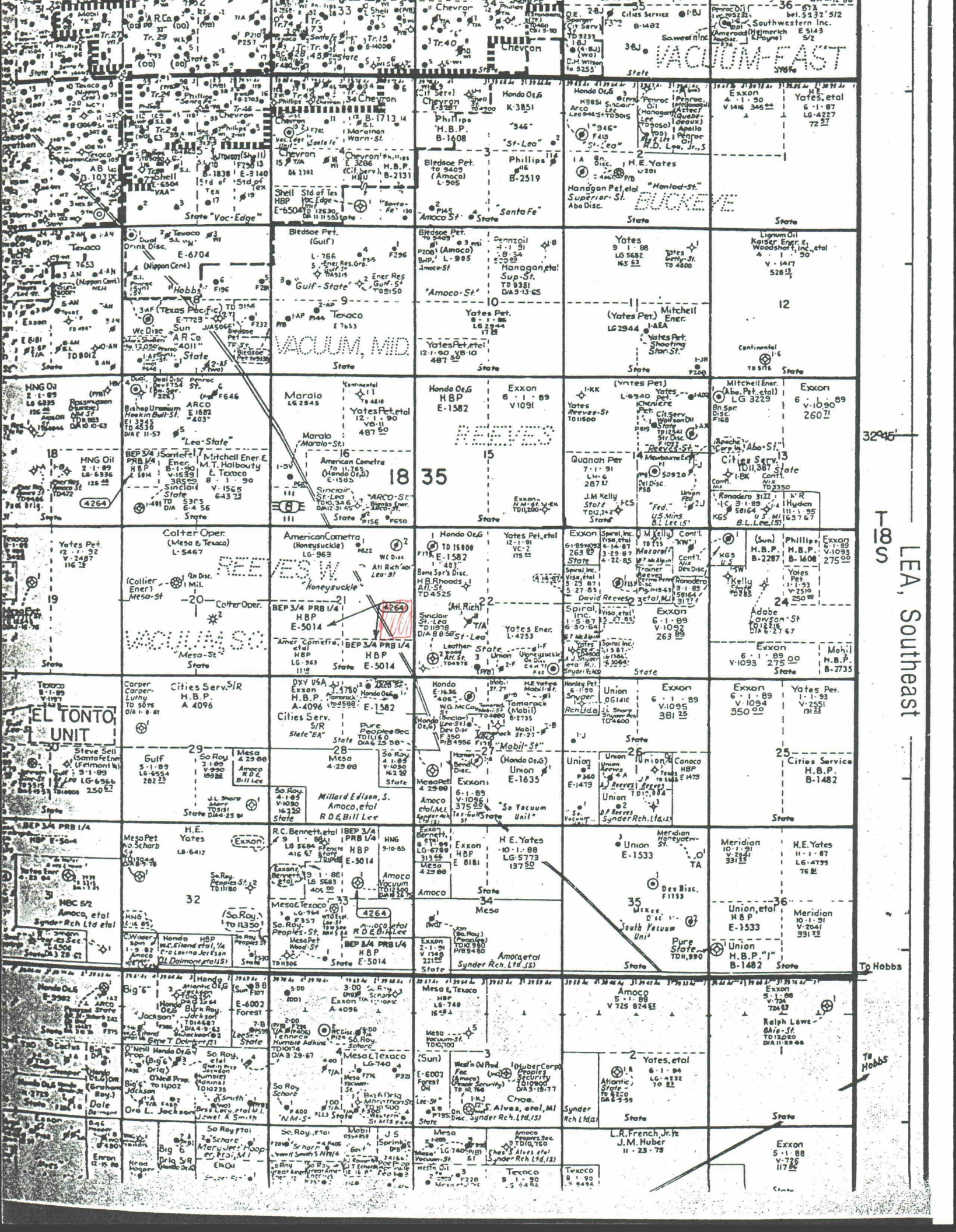
.48012000%

Cibola Energy Corporation
P. O. Box 1668
Albuquerque, New Mexico 87103

2.48792080%

62.96804080%

1. Operating Rights in the N/2 NE/4 Section 21, T18S, R35E, N.M.P.M., Lea County, New Mexico, from the surface of the earth to a depth of 11,915'.



VACUUM-EAST

VACUUM, MID

VACUUM, SW

VACUUM, SO

EL TONTO UNIT

LEA, Southeast

To Hobbs