

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

El Patio - 117 North Guadalupe

Post Office Box 2265

Santa Fe, New Mexico 87504-2265

April 7, 1988

Telephone 982-4285
Area Code 505

W. Thomas Kellahin
Karen Aubrey

Jason Kellahin
Of Counsel

RECEIVED

APR 7 1988

OIL CONSERVATION DIVISION

Mr. William J. LeMay
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Bass Enterprises Production Co.
for Compulsory Pooling
Eddy County, New Mexico

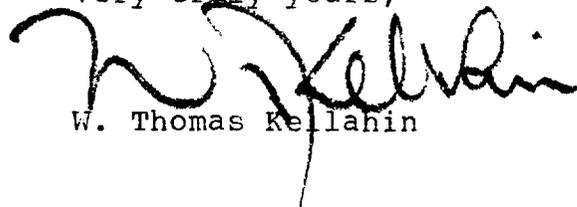
Case 9374

Dear Mr. LeMay:

On behalf of Bass Enterprises Production Company, we would appreciate you setting the enclosed application for a public hearing on the Division's Examiner docket now scheduled for May 11, 1988.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application. Those parties are directed to contact the Division or the applicant's attorney to determine what additional rights they may have. In addition, they are advised that the entry of a compulsory pooling order will affect their rights to share in the production from the subject well.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: Mr. Jens Hansen
Bass Enterprises Production Co.
First City Bank Tower
201 Main Street
Ft. Worth, Texas 66102

"Certified Return-Receipt Requested"
Santa Fe Energy Corporation
500 W. Illinois, Suite 500
Midland, Texas 79701
Attn: Bill A. Schaefer, Jr.

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 AND
UNORTHODOX WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

OIL CONSERVATION DIVISION
CASE: 9374

A P P L I C A T I O N

COMES NOW, BASS ENTERPRISES PRODUCTION COMPANY, by and through its attorneys, Kellahin, Kellahin & Aubrey and in accordance with Section 7-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests underlying the following described acreage in Section 30, T21S, R28E, Eddy County, New Mexico, in the following described manner:

W/2 to form a 316.44 acre, more or less, gas spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 320-acre gas well spacing.

S/2
W/2

The above described unit is to be dedicated to its Big Eddy Well No. 102 to be drilled to a depth of approximately 12,100 feet at standard well location 1980 feet from the South line and 1980 feet from the West line of said Section 30.

1. Applicant is a working interest owner and the operator of the Big Eddy Unit which includes all of Section 30 with the exception of the SW/4SW/4 of Section 30 for which Santa Fe Energy Company has the working interest.

2. Applicant, with approximately 87.7% interest, has sought a voluntary agreement with Santa Fe Energy Company for its approximately 12.5% interest for the formation of a ~~W/2~~ section unit for the drilling of the subject well but has been unable to obtain a voluntary agreement from Santa Fe Energy Company.

5/2
WJK
3. Pursuant to the Division notice requirements, applicant has notified Santa Fe Energy Company of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on May 11, 1988.

4. 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 drilling, completing and equipping 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

KELLAHIN, KELLAHIN AND AUBREY

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W. Thomas Kellahin

Karen Aubrey

Jason Kellahin

Of Counsel

April 18, 1988

Case 9374
APR 18 1988

Mr. William J. LeMay
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

OIL CONSERVATION DIVISION

"Hand Delivered"

Re: SECOND AMENDED APPLICATION OF
Bass Enterprises Production Co.
for Compulsory Pooling
Eddy County, New Mexico

Dear Mr. LeMay:

On April 12, 1988 we hand delivered to you our First Amended application on behalf of Bass Enterprises Production Company for a compulsory pooling order. This matter is to be set on the examiner's docket for May 11, 1988.

In reviewing the application, it appears there may be a potential for gas production on 160 acre spacing. Accordingly, we would like to cover that possibility and hereby amend our application as follows:

Application of Bass Enterprises Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to either the base of the Morrow formation or to a depth of 12,100 feet, whichever is deeper, underlying the S/2 of Section 30, T21S, R28E, Eddy County, New Mexico, forming a 316.44-acre, more or less, gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, to be dedicated to a well to be drilled at a standard gas well location thereon and underlying the SW/4 of said Section forming a 156.44 acre gas spacing and proration unit for any and all formations and or pools within said vertical limits developed on 160 acre gas well spacing. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and

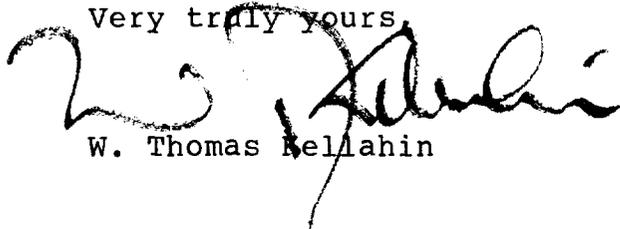
KELLAHIN, KELLAHIN & AUBREY

Mr. William J. LeMay
April 18, 1988
Page 2

charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. The southwest corner of said unit is located on _____.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application. Those parties are directed to contact the Division or the applicant's attorney to determine what additional rights they may have. In addition, they are advised that the entry of a compulsory pooling order will affect their rights to share in the production from the subject well.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: Mr. Jens Hansen
Bass Enterprises Production Co.
First City Bank Tower
201 Main Street
Ft. Worth, Texas 66102

James G. Bruce, Esq.
Hinkle Law Firm
P. O. Box 2068
Santa Fe, New Mexico 87504

"Certified Return-Receipt Requested"
Santa Fe Energy Corporation
500 W. Illinois, Suite 500
Midland, Texas 79701
Attn: Bill A. Schaefer, Jr.

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Attorneys at Law

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Santa Fe, New Mexico 87504-2265

April 12, 1988

W. Thomas Kellahin
Karen Aubrey

Jason Kellahin
Of Counsel

RECEIVED Telephone 982-4285
Area Code 505

APR 12 1988

OIL CONSERVATION DIVISION

Mr. William J. LeMay
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: AMENDED APPLICATION OF
Bass Enterprises Production Co.
for Compulsory Pooling
Eddy County, New Mexico

Case 9374

Dear Mr. LeMay:

On April 7, 1988 we hand delivered to you our application on behalf of Bass Enterprises Production Company for a compulsory pooling order. This matter is to be set on the examiner's docket for May 11, 1988.

In reviewing the application, I note that we made a typographical error in the orientation of the unit. The application incorrectly shows a requested dedication of the W/2 of Section 30, T21S, R28E, Eddy County, New Mexico. The correct orientation should be the South Half. Please find enclosed our First Amended Application.

In addition, we suggest the following for an advertisement for the newspaper and for the docket:

Application of Bass Enterprises Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to either the base of the Morrow formation or to a depth of 12,100 feet, whichever is deeper, underlying the S/2 of Section 30, T21S, R28E, Eddy County, New Mexico, forming a 316.44-acre, more or less, gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and

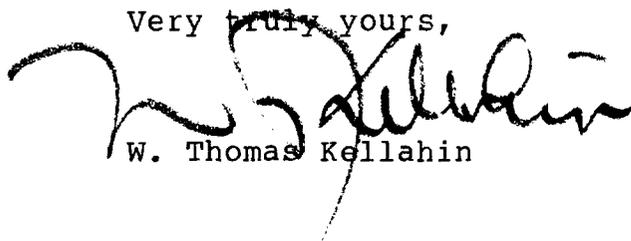
KELLAHIN, KELLAHIN & AUBREY

Mr. William J. LeMay
April 12, 1988
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DEPARTMENT OF ENERGY AND MINERALS
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IN THE MATTER OF THE APPLICATION
OF BASS ENTERPRISES PRODUCTION
COMPANY FOR COMPULSORY POOLING AND
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CASE: 9374

FIRST AMENDED
A P P L I C A T I O N

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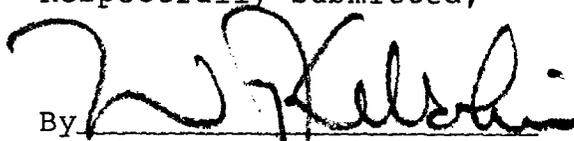
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