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2005 JAN 25 AM 10 16

January 25, 2005

*Case 13426*

Hand Delivered

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

Dear Florene:

Enclosed for filing are an original and one copy of an application for compulsory pooling, together with a proposed advertisement, filed on behalf of Read & Stevens, Inc. Please set this matter for the February 17, 2005 Examiner hearing. Thank you.

The advertisement has also been e-mailed to the Division.

Very truly yours,

  
James Bruce

Attorney for Read & Stevens, Inc.

PARTIES BEING POOLED

Crown Oil Partners II LP  
P.O. Box 51608  
Midland, Texas 79710

RME Petroleum Corporation  
1201 Lake Robbins Drive  
The Woodlands, Texas 77380-1160

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF READ & STEVENS  
INC. FOR COMPULSORY POOLING,  
CHAVES COUNTY, NEW MEXICO.

2005 JAN 25 AM 10 16

Case No. 13426

APPLICATION

Read & Stevens, Inc. applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N $\frac{1}{2}$  of Section 27, Township 15 South, Range 27 East, N.M.P.M., Chaves County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the N $\frac{1}{2}$  of Section 27, and has the right to drill a well thereon.

2. Applicant proposes to drill its Harris Fed. Com. Well No. 12, at an orthodox location in the SE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 27, and seeks to dedicate the N $\frac{1}{2}$  of Section 27 to the well to form a standard 320 acre gas spacing and proration unit for any and all formations and/or pools developed on 320 acre spacing within that vertical extent, including the Undesignated Buffalo Valley-Pennsylvanian Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N $\frac{1}{2}$  of Section 27 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the 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

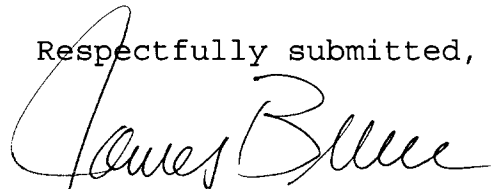
pooling all mineral interest owners in the N½ of Section 27, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the N½ of Section 27 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 N½ of Section 27 from the surface to the base of the Morrow formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of 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 the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing 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 Read & Stevens,  
Inc.