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2013 APR -2 P 12:43

April 2, 2013


*Case 14980*

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

Dear Florene:

Enclosed for filing, on behalf of XTO Energy Inc., are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set the application for the May 2, 2013 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for XTO Energy Inc.

Parties Being Pooled

West American Corporation  
address unknown

New Mexico Highway & Transportation Department  
1120 Cerrillos Road  
Santa Fe, New Mexico 87501

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF XTO ENERGY INC. FOR  
COMPULSORY POOLING, SAN JUAN COUNTY,  
NEW MEXICO.**

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Case No. 74980

**APPLICATION**

XTO Energy Inc. applies for an order pooling all mineral interests in the Mancos formation underlying the N $\frac{1}{2}$  of Section 16 and NE $\frac{1}{4}$  of Section 17, Township 29 North, Range 14 West, N.M.P.M., San Juan County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the N $\frac{1}{2}$  of Section 16 and NE $\frac{1}{4}$  of Section 17, and has the right to drill a well thereon.
2. Applicant proposes to drill its Ropco 16 Well No. 1H to a depth sufficient to test the Mancos formation. Applicant seeks to dedicate the N $\frac{1}{2}$  of Section 16 and NE $\frac{1}{4}$  of Section 17 to the well to form a non-standard 480 acre, more or less, spacing and proration unit (project area). The well is a horizontal well, with a surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 16 and a terminus in the SW $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 17.
3. A non-standard unit for the proposed well was approved by Division Administrative Order NSP-1963.
4. 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 16 and NE $\frac{1}{4}$  of Section 17 for the purposes set forth herein.
5. 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.

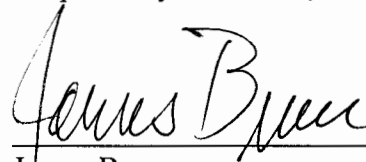
Therefore, applicant seeks an order pooling all mineral interest owners in the N½ of Section 16 and NE¼ of Section 17, pursuant to NMSA 1978 §§70-2-17, 18.

6. Approval of the pooling of all mineral interests underlying the N½ of Section 16 and NE¼ of Section 17 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 Mancos formation underlying the N½ of Section 16 and NE¼ of Section 17;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost 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,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for XTO Energy Inc.

PROPOSED ADVERTISEMENT

Case No. 14980 :

***Application of XTO Energy Inc. for compulsory pooling, San Juan County, New Mexico.***

XTO Energy Inc. seeks an order pooling all mineral interests in the Mancos formation underlying the N/2 of Section 16 and the NE/4 of Section 17, Township 29 North, Range 14 West, NMPM, to form a non-standard 480 acre spacing and proration unit (project area). The unit is to be dedicated to the Ropco 16 Well No. 1H, a horizontal well with a surface location in the NE/4NE/4 of Section 16, and a terminus in the SW/NE/4 of Section 17. Also to be considered will be the cost of 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 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 2 miles southeast of Kirtland, New Mexico.

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