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Case #511

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March 14, 2014

VIA FASCIMILE & REGULAR MAIL (505) 476-3462

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

**RE:** Application for Compulsory Pooling

Dear Ms. Davidson:

On behalf of Texland Petroleum, L.P., enclosed please find an original and one copy of the Application for Compulsory Pooling, together with a proposed Advertisement. Please set this matter for the April 17, 2014 Examiner hearing. Thank you.

Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

**CARSON RYAN LLC** 

Elizabeth A. Ryan

BAR/rmt Enclosures

## STATE OF NEW MEXICOUNCED OCD ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION MAR 18 A 2 TO THE PARTMENT OF THE PAR

APPLICATION OF TEXLAND PETROLEUM, L.P. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

## APPLICATION FOR COMPULSORY POOLING

Texland Petroleum, L.P. ("Texland") applies for an order pooling certain mineral interests in the Shipp Strawn formation underlying the N/2SW/4 of Section 3, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and in support therefore, states:

- 1. Texland is a working interest owner in the N/2SW/4 of Section 3 and has the right to drill a well thereon.
- 2. Texland proposes to dedicate the N/2SW/4 of Section 3 to its proposed Simmons Estate #2 Well to be vertically drilled from the wellbore in N/2SW/4 of Section 3 to the Shipp Strawn formation at the non-standard unorthodox location of 1650 feet FSL and 970 feet FWL in Unit L Section 3.
- 3. Texland has in good faith sought to obtain the voluntary joinder of all mineral interest owners in the N/2SW/4 of Section 3 for the purposes set forth herein.
- 4. Although, Texland attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interest to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, Texland seeks an order pooling the following mineral interest owner in the N/2SW/4 of Section 3, pursuant to NMSA 1978, §§ 70-2-17 and 18:

- Mrs. Catherine Prichard Kaplan, as sole heir of the Estates of John F. Prichard and his wife, Edna C. Prichard, both deceased, and as Trustee of the Family Trust of Dr. and Mrs. John F. Prichard ("Subject Mineral Interest").
- 5. Approval of the pooling of the Subject Mineral Interest underlying the N/2SW/4 of Section 3 will prevent the drilling of an unnecessary well, prevent waste, and protect correlative rights.
  - WHEREFORE, Texland requests that, after notice and hearing, the Division enter its order:
  - A. Pooling the Subject Mineral Interest in the Shipp Strawn formation underlying the spacing and proration unit;
  - B. Designating Texland as the operator of such well;
  - C. Considering the cost of drilling and completing the well, and allocating its costs among the well's 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 even a working interest owner elects not to participate in the well.

Respectfully submitted,

CARSON RYAN LÁ

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Attorneys for Texland Petroleum, L.P.

## PROPOSED ADVERTISEMENT

CASE NO. 15/11

Application of Texland Petroleum, L.P. for Compulsory Pooling, Lea County, New Mexico. Texland Petroleum, L.P. seeks an order pooling the mineral interests of Mrs. Catherine Prichard Kaplan, as sole heir of the Estates of John F. Prichard and wife, Edna C. Prichard, both deceased, and as Trustee of the Family Trust of Dr. and Mrs. John F. Prichard in the Shipp Strawn formation underlying an 80 acre spacing unit comprising of the N/2SW/4 of Section 3, Township 17 South, 37 East, NMPM, Lea County, New Mexico. The unit is to be dedicated to applicant's Simmon's Estate #2 Well, to be vertically drilled from wellbore in N/2SW/4 of Section 3 to the Shipp Strawn formation at the non-standard unorthodox location of the 1650 feet FSL and 970 feet SWL in the Unit L Section 3. Also to be considered will be the cost of drilling and completing the well and the allocation of applicant as operator of the well, and a 200% charge for risk involved in the drilling the well.

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