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February 3, 2015

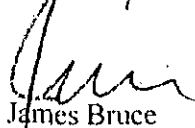
Case 15268

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

Dear Florence:

Enclosed for filing, on behalf of Anschutz Oil Company, LLC, are an original and one copy of an application for compulsory pooling, *etc.*, together with a proposed advertisement. Please set this matter for the March, 2015 Examiner hearing.

Very truly yours,



James Bruce

Attorney for Anschutz Oil Company, LLC

Parties Being Pooled

A. Kimbrough Davis, Successor Trustee
Margaret Hunt Hill - Albert G. Hill III Trusts
c/o Abrams, Davis, Mason, Long LLC
Suite 1600
110 Peachtree Street
Atlanta, Georgia 30309

Addresses unknown:

Beanna G. Lane aka Beanna G. Nelson
Edna Corrin Cooper
Fraser R. MacVicar
Hazel F. Schmedes
Herbert B. Luria
Katherine V. Winter
Marie Winter
Laverne F. Rode
Sophie Spellman
Theodora Mourry
F.P. Schonwald Co.
George Zarou, Jr.
Harold W. Cooper
Horace N. Gibson, Jr.
Jake R. Schwartz
James F. Rosborough, Jr.
James Whitmore Truesdell
Eileen Truesdell
Johansen Energy Partnership,
Jonathan B. Loring and Ellen G. Loring, Trustees of the EBL Oil and Gas Trust
M.S. Brooks, Jr.
Marcelle Stratton
Mark Joseph Schaefer
Myrtle Braun
NOSECO Corporation
Peter C. Neumann, Trustee of the Neumann Family Trust
Peter C. Neumann
Renate Neumann
Philip Asher Sanger
Rober E. Levy
The Ames Company
E.L. James, Jr.
George J. Ames

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF ANSCHUTZ OIL COMPANY,
LLC FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
RIO ARriba COUNTY, NEW MEXICO.

Case No. 15268

APPLICATION

Anschutz Oil Company, LLC applies for an order (i) approving a non-standard oil spacing and proration unit comprised of the W/2 of Section 14 and E/2 of Section 15, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and (ii) pooling all interests in the Gavilan-Mancos Pool underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the W/2 of Section 14 and E/2 of Section 15, and has the right to drill a well thereon.

2. Applicant has drilled its Regina Com. 25-2-14-15 Well No. 1H to a depth sufficient to test the Mancos formation (Gavilan-Mancos Pool). The well was originally dedicated to a 960 acre non-standard unit comprised of the W/2 of Section 14 and all of Section 15 under Division Administrative Order NSP-1974 and Order No. R-13945. During drilling downhole conditions were encountered which required the wellbore to be shortened. As a result, applicant now seeks to dedicate the W/2 of Section 14 and E/2 of Section 15 to the well to form a non-standard 640 acre spacing and proration unit for any formations and/or pools developed on 640 acre spacing within that vertical extent. The well is a horizontal well drilled from a surface location in the NW/4NE/4 of Section 14, with a terminus in the NW/4NE/4 of Section 15. The beginning of the producing interval is 893.3 feet from the north line and 2291.4 feet from the west line of Section 14, with a terminus 859.6 feet from the north line and 1821 feet from the

east line of Section 15. The beginning of the producing interval is unorthodox under the special rules and regulations for the Gavilan-Mancos Pool. The unorthodox location was approved by Order No. R-13945.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2 of Section 14 and E/2 of Section 15 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 W/2 of Section 14 and E/2 of Section 15, pursuant to NMSA 1978 §§70-2-17, 18.

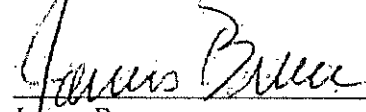
5. The pooling of all mineral interests in the Gavilan-Mancos Pool underlying the W/2 of Section 14 and E/2 of Section 15 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Approving a non-standard oil spacing and proration unit (project area) in the Mancos formation comprised of the W/2 of Section 14 and E/2 of Section 15;
- B. Pooling all mineral interests in the Gavilan-Mancos Pool underlying the W/2 of Section 14 and E/2 of Section 15;
- C. Designating Anschutz Exploration Corporation as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;

- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. 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,



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Attorney for Anschutz Oil Company, LLC

PROPOSED ADVERTISEMENT

Case No. 15268 :

Application of Anschutz Oil Company, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Rio Arriba County, New Mexico. Anschutz Oil Company, LLC seeks an order approving a 640-acre non-standard oil spacing and proration unit (project area) in the Mancos formation comprised of the W/2 of Section 14 and E/2 of Section 15, Township 25 North, Range 2 West, N.M.P.M. Applicant further seeks the pooling of all mineral interests in the Mancos formation underlying the non-standard spacing and proration unit (project area) for any formations and/or pools developed on 640 acre spacing within that vertical extent, including the Gavilan-Mancos Pool. Applicant has drilled its Regina Com. 25-2-14-15 Well No. 1H to a depth sufficient to test the Gavilan-Mancos Pool. It is a horizontal well drilled from a surface location in the NW/4NE/4 of Section 14, with a terminus in the NW/4NE/4 of Section 15. The beginning of the producing interval is 893.3 feet from the north line and 2291.4 feet from the west line of Section 14, with a terminus 859.6 feet from the north line and 1821 feet from the east line of Section 15. The partially unorthodox location was previously approved. 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 Anschutz Exploration Corporation as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 15 miles northwest of Gallina, New Mexico.

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