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Case 13566

September 13, 2005

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

Dear Mr. Stogner:

Enclosed for filing, on behalf of Unit Petroleum Company, 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 this matter for the October 6<sup>th</sup> hearing. Thank you.

Very truly yours,

  
James Bruce

Attorney for Unit Petroleum Company

Anna Pauline Swearingen, SSP  
512 Cedar St.  
Concordia, KS 66901

David B. Brown, SSP  
P.O. Box 2888  
Houston, TX 77525

Edna Mae Watt, SSP  
400 Holland Drive  
Broderick, CA 95605

Flora Jane Hopkins, SSP  
Attn: Loma H. Webber  
24476 Chamalea Dr.  
Mission Viejo, CA 92691

Glen A. Swearingen and Barbara J. Swearingen,  
Trustees Of the Glen A. Swearingen Trust dated  
8/13/1999  
1066 Burroak Lane  
Salina, KS 67401-7748

Grant Allen Swearingen, SSP  
209 South Ashley Park  
Wichita, KS 67209

Helen J. Hardgrave, Trustee of the Meredith E.  
Hardgrave and Helen J. Hardgrave Revocable  
Living Trust  
6012 E. 114th St.  
Tulsa, OK 74137

Helen L. Marcotte, SSP  
319 Reed Ave.  
Salina, KS 67401

Higgins Trust, Inc.  
Attn: William P. Edwards  
P.O. Box 2421  
Gainesville, GA 30503-2421

James A. Brown and wife, Judith A. Brown  
P.O. Box 928  
Elk City, OK 73648

John Collier Major and Stephen Alfred Major, Trustees  
Under the Last Will and Testament of John Charles  
Major  
P.O. Box 250  
Reydon, OK 73660

Julie J. Martin, SSP  
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Southport, NC 28461-0911

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Riverside, CA 92509

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Belleview, FL 34420

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Albuquerque, NM 87107

Mary Lou Lundblade, SSP  
3013 West 72nd North  
Valley Center, KS 67147

Peggie Sue Lawson, SSP  
18395 W. FM 2790 South  
Lytle, TX 78052

Roy G. Barton, Jr. and Claudia R. Barton, Joint Tenants  
1919 Turner St.  
Hobbs, NM 88240

Ruby Rogers, SSP  
Rural Route 4  
Abilene, KS 67410

Jesma Roberta Hopper, SSP  
2926 Columbine Lane  
Wichita, KS 67204

John A. Brown, SSP  
3669 Seneca Circle  
Las Vegas, NV 89109

Stanico Energy Corporation  
P.O. Box 32467  
Oklahoma City, OK 73123-2467

Leased as of 8-30-05

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF UNIT PETROLEUM  
COMPANY FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

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Case No. 13566

**APPLICATION**

Unit Petroleum Company applies for an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the E $\frac{1}{2}$  of Section 1, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$  of Section 1, and has the right to drill a well thereon.
2. Applicant proposes to drill its Monte Carlo Fed. Com. Well No. 1, from a surface location 2385 feet from the north line and 271 feet from the east line of Section 1, to a bottomhole orthodox location approximately 1845 feet from the north line and 1487 feet from the east line of Section 1, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:
  - (a) the SE $\frac{1}{4}$ NE $\frac{1}{4}$  to form a standard 40 acre oil and spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent; and
  - (b) the E $\frac{1}{2}$  to form a standard 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the Atoka-Pennsylvanian Gas Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E $\frac{1}{2}$  of Section 1 for the purposes set forth herein.

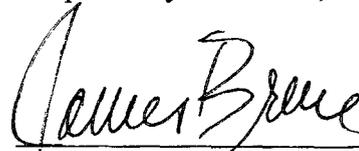
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the E½ of Section 1, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 1 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 E½ of Section 1, from the base of the San Andres formation 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 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,



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James Bruce  
Post Office Box 1056  
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Attorney for Unit Petroleum Company

PROPOSED ADVERTISEMENT

**Case No. 13566 : Application of Unit Petroleum Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the E/2 of Section 1, Township 18 South, Range 26 East, NMPM, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for all formations and/or pools developed on 320 acre spacing within that vertical extent, including the Atoka-Pennsylvanian Gas Pool; and the SE/4NE/4 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Monte Carlo Fed. Com. Well No. 1, to be drilled from a surface location in the SE/4NE/4 of Section 1 to a bottomhole location approximately 1845 feet from the north line and 1487 feet from the east line of Section 1. 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 6 miles east-northeast of Atoka, New Mexico.

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