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January 31, 2017

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

Dear Florene:

Enclosed for filing, on behalf of M & M Energy, LLC, are an application for compulsory pooling, together with a proposed advertisement. Please set this matter for the March 2, 2017 Examiner hearing.

Thank you.

Very truly yours,

  
James Bruce

\*Attorney for M and M Energy, LLC

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Case 15631

Parties Being Notified

Sally McIlhenny Osborn Hewitt  
1411 West Bridalveil Place  
Tucson, AZ 85737

Walter McIlhenny Gibbs  
1835 County Road 213  
Weimar, TX 78962

John Osborn Gibbs  
500 Crescent Drive  
Bryan, TX 77801

Patricia Sullivan Gibbs  
608 Woodlake Drive  
McQueeny, TX 78123

Roy G. Barton  
2914 Cashell Wood Drive  
Cedar Park, TX 78613

Jane Sack  
302 Park Avenue  
Statesboro, GA 30458

Bebe De'Vlaming  
Apartment 2145  
2151 Southern Avenue  
Mesa, AZ 85204

Kirby Mineral, GP  
Suite 1008  
100 Park Avenue  
Oklahoma City, OK 73102

John E. McCool  
Room 104  
213 West 3rd Avenue  
Warren, PA 16365

Wilma M. Phillips, Trustee  
P.O. Box 2411  
Bakersfield, CA 93303

Judith Cruz Trust  
P.O. Box 4539  
Sedona, AZ 86340

Barbara Blewett Trust  
P.O. Box 4539  
Sedona, AZ 86340

Apache Corporation  
Suite 1000  
303 Veterans Airpark Road  
Midland, TX 79705

Samson Resources Company  
Suite 1500  
2 West 2<sup>nd</sup> Street  
Tulsa, OK 74103

Harold G. Osborn, Jr.  
P.O. Box 420  
Brooklyn, CT 06234

The Glass-Glen Burnie Foundation  
c/o Farmers National Company  
Suite 400  
5110 South Yale  
Tulsa, OK 74135

RAM Foundation  
P.O. Box 6519  
Paris, TX 75461

RSG Properties, Ltd.  
2700 Racquet Club Drive  
Midland, TX 79705

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF M & M ENERGY, LLC  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.

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Case No. 15631

APPLICATION

M & M Energy, LLC applies for an order pooling all mineral interests from the surface to the base of the San Andres formation underlying the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 6, Township 22 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 6, and has the right to re-enter or drill a well thereon.

2. Applicant proposes to re-enter and deepen the J.H. Day Well No. 1, located 2310 feet from the south and west lines of Section 6, to a depth sufficient to test the San Andres formation, and seeks to dedicate the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 6 to the well to form a standard 40 acre oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing in that vertical extent.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 6 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the re-entry 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 NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 6, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 6 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 NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 6 from the surface to the base of the San Andres formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of re-entering and deepening 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 re-entering and deepening 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 M & M Energy, LLC

PROPOSED ADVERTISEMENT

Case No. 15631:

***Application of M & M Energy, LLC for compulsory pooling, Lea County, New Mexico.*** M & M Energy, LLC seeks an order pooling all mineral interests from the surface to the base of the San Andres formation underlying the NE/4SW/4 of Section 6, Township 22 South, Range 36 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the J.H. Day Well No. 1, to be re-entered and deepened at an orthodox location 2310 feet from the south and west lines of Section 6. 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 8-1/2 mile west-southwest of Eunice, New Mexico.

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