

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208
110 NORTH GUADALUPE, SUITE 1
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

Michael H. Feldewert

mfeldewert@hollandhart.com

44744-0005

April 15, 2003

VIA HAND DELIVERY

Lori Wrotenbery
Director - OCD
NM Energy, Minerals & Natural Resources Dept.
1220 South St. Francis Drive
Santa Fe, NM 87505

RECEIVED

APR 15 2003

Oil Conservation Division

Case 13064

Re: Application of Paladin Energy Corporation to Abolish the Special Pool
Rules and Regulations for the Bagley Siluro-Devonian Pool, Lea
County, New Mexico

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Paladin Energy Corp. in the above-referenced case as well as a copy of the legal advertisement. Paladin Energy Corp. requests that this matter be placed on the docket for the May 8, 2003 Examiner hearings.

Sincerely,



Michael H. Feldewert

MHF:jlj

cc: Mr. George Fenton
Mr. David Plaisance

Enclosures

3072108_1.DOC

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION OF
PALADIN ENERGY CORPORATION TO ABOLISH
THE SPECIAL POOL RULES AND REGULATIONS
FOR THE BAGLEY SILURO-DEVONIAN POOL,
LEA COUNTY, NEW MEXICO.**

RECEIVED

APR 15 2003

Oil Conservation Division

CASE NO. 13064

APPLICATION

PALADIN ENERGY CORP. ("Paladin"), by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order abolishing the Special Pool Rules and Regulations for the Bagley Siluro-Devonian Pool. In support of this application, Paladin states:

1. The Bagley Siluro-Devonian Pool was established by Division in 1950 under Order No. 850 and has been extended from time to time to include the following acreage in Lea County, New Mexico:

Township 11 South, Range 33 East, N.M.P.M.

Section 33:	SE/4
Section 34:	S/2, NE/4
Section 35:	S/2, NW/4, S/2 NE/4
Section 36:	SW/4

Township 11 South, Range 33 East, N.M.P.M.

Section 1:	W/2
Section 2 and 3:	All
Section 4:	E/2
Section 10:	E/2
Section 11:	All
Section 12:	W/2

2. The Bagley Siluro-Devonian Pool is governed by Special Pool Rules adopted by Oil Conservation Division in 1954 under Order No. R-69-D (Case No. 249). These Special Pool Rules provide for the following:

- 80-acre spacing units comprised of either the E/2 or the W/2 of a quarter section with wells to be located within 150 feet of the center of a quarter-quarter section, and
- An allowable equal to the top allowable for wells in the Bagley Siluro-Devonian depth range calculated by the use of the 80-acre proportional factor set forth in Rule 505.

3. Because of numerous exceptions to the Special Pool Rules and infill drilling of wells, the Bagley Siluro-Devonian Pool has effectively been developed on 40-acre spacing.

4. The Bagley Siluro-Devonian Pool is in an advanced state of depletion. Recent experience with wells in the Bagley Siluro-Devonian Pool show that they do not produce at the current allowable and drain small areas.

5. There are only two operators in the Bagley Siluro-Devonian Pool: Paladin and Samson Resources, Inc. Samson Resources concurs with Paladin's proposal to abolish the Special Pool Rules in favor of 40-acre spacing under statewide rules.

6. Approval of this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

7. A list of the persons to whom notice has been sent is attached hereto.

WHEREFORE, Paladin Energy Corp. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 8, 2003, that notice be given as required by law and the rules of the Division, and that this application be approved.

Respectfully submitted,
HOLLAND & HART, LLP

By: 

Michael H. Feldewert
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR PALADIN ENERGY CORP.

CASE 13064:

Application of Paladin Energy Corp. to Abolish Special Pool Rules and Regulations for the Bagley Siluro-Devonian Pool, Lea County, New Mexico. Applicant, in the above-styled cause seeks to abolish the Special Pool Rules and Regulations for the Bagley Siluro-Devonian Pool located in portions of Sections 33 through 36 of Township 11 South, Range 33 East, and Sections 1 through 4, and 10 through 12 of Township 12 South, Range 33 East, NMPM. Said pool is located approximately 17 miles west of Tatum, New Mexico.

NOTIFICATION LIST

Application of Paladin Energy Corporation To Abolish The Special Pool Rules And Regulations For The Bagley Siluro-Devonian Pool, Lea County, New Mexico

Apache Corporation
1700 Lincoln Street, Suite 700
Denver, Colorado 80703-4520

Anderson Oil & Gas Co.
5005 Woodway, Suite 300
Houston, TX 77056

Asher Enterprises Company, Ltd.
P. O. Box 423
Artesia, New Mexico 88211

Belco Oil & Gas Corp.
5735 Pineland Street, Suite 300\
Dallas, TX 79231

Goodrich Oil Co.
1001 Fannin Street, #4670
Houston, TX 77002-6799

JPH Oil Producers
P. O. Box 755
Hobbs, NM 88241

Layton Enterprises
3103 79th Street
Lubbock, TX 79423

Merit Energy Co.
1222 Merit Drive, Suite 1500
Dallas, TX 75251

Saga Petroleum LLC
415 W. Wall Street, Suite 1900
Midland, TX 73701

Samson Resources Company
2 W. Second Street
Tulsa, OK 74103

Skyline Energy
2301 Dublin Circle
Pearland, TX 77587

Smith & Marrs, Inc.
P. O. Box 863
Kermit, TX 79745

Yates Petroleum Corp.
105 S. Fourth Street
Artesia, NM 88210