

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF CHARLES B. GILLESPIE,
JR. FOR COMPULSORY POOLING AND A NON-
STANDARD OIL SPACING AND PRORATION
UNIT, LEA COUNTY, NEW MEXICO.

1997 No. 11869

APPLICATION

Charles B. Gillespie, Jr. applies for an order pooling all mineral interests from the surface to the base of the Strawn formation underlying Lots 17 and 18 (the W $\frac{1}{2}$ SW $\frac{1}{4}$) of Section 6, Township 16 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and for a non-standard oil spacing and proration unit, and in support thereof states:

1. Applicant is the working interest owner of Lot 17 of said Section 6, and has the right to drill a Strawn well within Lots 17 and 18 of Section 6.

2. Applicant proposes to drill its Snyder "A" Com. Well No. 1, at an orthodox location 990 feet from the South line and 874 feet from the West line of Section 6, to a depth sufficient to test the Strawn formation, and seeks to dedicate Lots 17 and 18 of Section 6, comprising 73.12 acres, for all pools or formations spaced on 80 acres, including the Undesignated Northeast Shoe Bar-Strawn Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in Lots 17 and 18 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 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 Lots 17 and 18 of Section 6, pursuant to N.M. Stat. Ann. § 70-2-17 (1995 Repl. Pamp.).

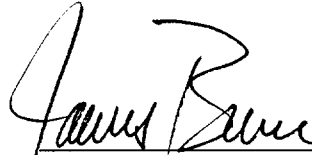
5. The pooling of all mineral interests underlying Lots 17 and 18 of Section 6, and the approval of the non-standard oil spacing and proration unit, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- (a) Pooling all mineral interests in Lots 17 and 18 of Section 6, from the surface to the base of the Strawn formation;
- (b) Designating applicant as operator of the well;
- (c) Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's working interest owners;
- (d) Approving actual operating charges and costs charged for supervision, together with a provision adjusting said rates per the COPAS accounting procedure;
- (e) Setting a penalty for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well;
- (f) Approving a non-standard oil spacing and proration unit comprised of Lots 17 and 18 of Section 6; and

(g) Granting such further relief as the Division deems proper.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", written over a horizontal line.

James Bruce
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Attorney for Charles B. Gillespie, Jr.