

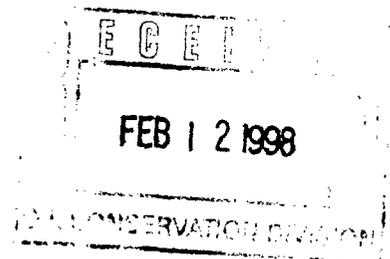
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February 10, 1998



VIA FACSIMILE AND FIRST CLASS MAIL

Director
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

Re: Application of Bass Enterprises Production Co. for Compulsory
Pooling, Lea County, New Mexico

No. 11933

Dear Madam:

Enclosed herewith please find Bass' Application for Compulsory Pooling, in duplicate, for filing in the referenced cause of action.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

Ernest L. Carroll

ELC:kth
Encl.

xc w/encl: Mr. J. Wayne Bailey

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF :
BASS ENTERPRISES PRODUCTION CO. FOR : CASE NO. 11933
COMPULSORY POOLING, LEA COUNTY, :
NEW MEXICO :
_____ :

APPLICATION

COMES NOW **BASS ENTERPRISES PRODUCTION CO.**, by its attorneys undersigned, and in support of its application for compulsory pooling, respectfully states:

1. Applicant has the right to drill its Montieth "C" No. 1 Well to a depth of 11,450' to test the Pennsylvanian Formation and intermediate formations at a location of 660' FNL and 1,830' FEL of Section 13, Township 16 South, Range 36 East, N.M.P.M., Lea County, New Mexico.
2. The applicant has dedicated the NW/4 NE/4 and W/2 NE/4 of said section to this well, and there are interest owners in the proration unit who have not agreed to pool their interests.
3. Applicant should be designated the operator of the well and the proration unit.
4. To avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the oil in said unit, all mineral interests, whatever they may be, from the surface down to the top of the Pennsylvanian formation, at the approximate depth of 10,890', underlying the NW/4 NE/4 of Section 13, should be pooled; and all mineral interests, whatever they may be, within the Pennsylvanian formation from the approximate depth of 10,890' to the total depth drilled of 11,450' underlying the W/2 NE/4 of Section 13 should be pooled.

5. That any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs, plus an additional 200% thereof, as a reasonable charge for the risk involved in the drilling of the well.

6. Applicant should be authorized to withhold from production the proportionate share of a reasonable supervision charge for drilling and producing wells attributable to each non-consenting working interest owner.

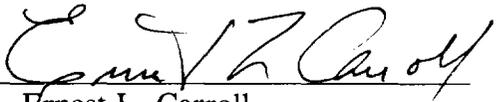
WHEREFORE, applicant prays:

- A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law;
- B. That upon hearing the Division enter its order pooling all mineral interests, whatever they may be, from the surface down to the top of the Pennsylvanian Formation, at the approximate depth of 10,890', underlying the NW/4 NE/4 of Section 13 to form a 40-acre proration unit dedicated to applicant's well; and pooling all mineral interests, whatever they may be, within the Pennsylvanian formation from the approximate depth of 10,890' to the total depth drilled of 11,450' underlying the W/2 NE/4 of Section 13 to form an 80-acre proration unit dedicated to applicant's well.
- C. That any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs, plus an additional 200% thereof, as a reasonable charge for the risk involved in the drilling of the well;
- D. That Applicant be authorized to withhold from production the proportionate share of a reasonable supervision charge for drilling and producing wells attributable to each non-consenting working interest owner;

C. And for such other relief as may be just in the premises.

Respectfully submitted,

LOSEE, CARSON, HAAS & CARROLL, P.A.

By: 

Ernest L. Carroll

P. O. Box 1720

Artesia, New Mexico 88211-1720

(505/746-3505)

Attorneys for Applicant

PROPOSED ADVERTISEMENT

11733 Applicant seeks an order pooling all mineral interests from the surface down to the top of the Pennsylvanian Formation, at the approximate depth of 10,890, underlying the NW/4 NE/4; and pooling all mineral interests within the Pennsylvanian Formation from the approximate depth of 10,890' to the total depth drilled of 11,450' underlying the W/2 NE/4 of Section 13, Township 16 South, Range 36 East. Said units are to be dedicated to a well to be drilled 660' FNL and 1830' FEL of said Section 13. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles east of Lovington, New Mexico