

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF:
PRAIRIE SUN, INC. FOR FORCED POOLING
EDDY COUNTY, NEW MEXICO

CASE NO. 12236

APPLICATION

COMES NOW Prairie Sun, Inc., by and through its attorney, Losee, Carson, Haas & Carroll, P.A., (Ernest L. Carroll), and in support hereof, respectfully states:

1. Applicant has the right to re-enter the Laguna Grande No. 1 Well, originally drilled to the Morrow Formation as a gas well, which is located at a point 1380 feet from the South line, and 990 feet from the East line of Section 28, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.
2. The applicant has dedicated the East half 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 gas in said unit, all mineral interests, whatever they may be, from the top of the Wolfcamp Formation through the base of the Morrow Formation underlying the East half of said Section 28 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 said 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 that:

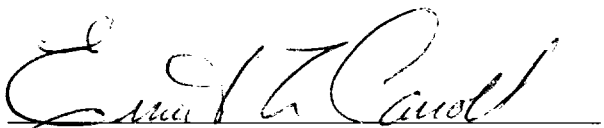
A. This application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. Upon hearing, the Division enter its order pooling all mineral interests, whatever they may be, from the top of the Wolfcamp Formation through the base of the Morrow Formation underlying the E/2 of Section 28, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, to form a 320-acre spacing unit dedicated to applicant's well.

C. That the Division authorize the withholding from any non-consenting working interest owner's share of production reasonable well costs, supervision charges, plus an additional 200% thereof as a reasonable charge for the risk involved.

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

PRAIRIE SUN, INC.

By: 
Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P.A.
P.O. Box 1720
Artesia, New Mexico 88211-1720

Attorneys for Applicant

Case 12-276

Application of Prairie Sun, Inc. for forced pooling, Eddy County, New Mexico.

Applicant seeks the right to re-enter the Laguna Grande No. 1 well, originally drilled to the Morrow Formation as a gas well, which is located at a point 1380 feet from the South line, and 990 feet from the East line of Section 28, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. The applicant has dedicated the E/2 of said section to this well. Applicant seeks to avoid the drilling of unnecessary wells, to protect correlative rights and to afford the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in said unit. All mineral interests, whatever they may be, from the top of the Wolfcamp Formation through the base of the Morrow Formation underlying the E/2 of said Section 28 should be forced pooled. 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 said well.