

**CASE 12525: (REOPENED AND READVERTISED)**

**Application of Cross Timbers Oil Company for compulsory pooling and an unorthodox location, San Juan County, New Mexico.**

Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Basin-Dakota Pool underlying the following described acreage in Section 16, Township 27 North, Range 10 West, and in the following manner: (i) the E/2 to form a standard 320-acre stand-up gas spacing and proration unit for any pool within that vertical extent with special rules providing for development on 320-acre spacing, which presently includes the Undesignated Angels Peak-Gallup Associated Pool and the Basin-Dakota Pool; (ii) the SE/4 to form a standard 160-acre gas spacing and proration unit for any formation and/or pool developed on 160-acre spacing within that vertical extent; (iii) the E/2 SE/4 to form a standard 80-acre stand-up oil spacing and proration unit for any pool within that vertical extent with special rules providing for development on 80-acre spacing, which presently includes only the Undesignated Angels Peak-Gallup Associated Pool; and (iv) the SE/4 SE/4 (Unit P) to form a standard 40-acre oil spacing and proration unit for any formation and/or pool developed on 40-acre spacing within that vertical extent. These four units are to be dedicated to a single well, the applicant's proposed Federal "F" Well No. 1-E to be drilled 1300 feet from the South line and 705 feet from the East line (Unit P) of Section 16. This location is standard for both the subject 320-acre unit in the Basin-Dakota Pool and the proposed 160-acre gas unit but unorthodox for: (i) either an oil or gas well within the Undesignated Angels Peak-Gallup Associated Pool; and (ii) the proposed 40-acre oil unit. 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 Cross Timbers Operating Company as the operator of the well and units, and a charge for the risk involved in drilling and completing the well. This area is located approximately 10 miles southeast of Bloomfield, New Mexico.