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RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

December 19, 2000

**HAND DELIVERED**

Ms. Lori Wrotenbery, Director  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

**Re: Byers "23" Well No. 1  
Application of BWB Partners I  
for compulsory pooling  
Lea County, New Mexico**

*Case 12571*

CC REC 19 PM 11:40  
C 100-1170104

Dear Ms. Wrotenbery:

On behalf of BWB Partners I, please find enclosed our referenced application which we request be set for hearing on the Examiner's docket now scheduled for January 11, 2001. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,



W. Thomas Kellahin

cc: BWB Partners I  
Attn: Bill Bennett

CASE 12571: Application of BWB Partners I for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, but excluding the Wolfcamp formation, in the following described spacing and proration units in Section 23, T20S, R35E, NMPM, Lea County, New Mexico, as follows: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the West Osudo-Morrow Gas Pool or West Osudo-Atoka Gas Pool; and the NE/4 for all formations and/or pools developed on 160-acre gas spacing which includes but is not necessarily limited to the Eumont Gas Pool, the Featherstone-Bone Springs Gas Pool, or the East Featherstone-Bone Springs Gas Pool. The units are to be dedicated to its Byers "23" Well No. 1 to be drilled at a standard location in Unit G of Section 23 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant, or its designate, as the operator of the well and a charge for risk involved in this well. This unit is located approximately 20 miles southwest of Hobbs, New Mexico.

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

**IN THE MATTER OF THE APPLICATION  
OF BWB PARTNERS I  
FOR COMPULSORY POOLING  
LEA COUNTY, NEW MEXICO.**

CASE NO. 12571

**A P P L I C A T I O N**

Comes now BWB Partners I by its attorneys, Kellahin & Kellahin, and in accordance with Section 70-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the surface to the base of the Morrow formation, but excluding the Wolfcamp formation, in the following described spacing and proration units in Section 23, T20S, R35E, NMPM, Lea County, New Mexico, as follows: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the West Osudo-Morrow Gas Pool or West Osudo-Atoka Gas Pool; and the NE/4 for all formations and/or pools developed on 160-acre gas spacing which includes but is not necessarily limited to the Eumont Gas Pool, the Featherstone-Bone Springs Gas Pool, or the East Featherstone-Bone Springs Gas Pool. The units are to be dedicated to its Byers "23" Well No. 1 to be drilled at a standard location in Unit G of Section 23 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant, or its designate, as the operator of the well and a charge for risk involved in this well.

In support of its application, BWB Partners I ("BWB") states:

1. BWB has the right to drill and develop the oil and gas minerals from the surface to the base of the Morrow formation underlying the E/2 of Section 23, T20S, R35E, NMPM, Lea County, New Mexico.
2. BWB has proposed this well and its appropriate spacing unit to the working interest owners in the spacing unit as identified on Exhibit "A" and Exhibit "B".
3. BWB, despite its good faith efforts, has been unable to obtain written voluntary agreement from all the parties listed on Exhibit "A" and Exhibit "B".

4. Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, the applicant needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

5. In accordance with the Division's notice requirements, a copy of this application has been sent to the parties whose interest are to be pooled and whose current addresses are known as listed on Exhibit "A" and Exhibit "B" of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for January 11, 2001.

WHEREFORE, BWB Partners I, as applicant, requests that this application be set for hearing on January 11, 2001 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in the appropriate spacing unit for the drilling of this well location upon terms and conditions which include:

- (1) BWB Partners I, or its designate, be named operator;
- (2) Provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) In the event a working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200%;
- (4) Provision for overhead rates per month drilling and per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS;
- (5) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:



W. THOMAS KELLAHIN  
KELLAHIN & KELLAHIN  
P. O. Box 2265  
Santa Fe, New Mexico 87504

**EXHIBIT "A"**  
Parties to be pooled

BTA Oil Producers, et al<sup>1</sup>  
104 South Pecos  
Midland, Texas 79701  
Attn: C. Robert Crawford

Hayes Land Corporation  
PO Box 51510  
Midland, Texas 79710-1510  
Attn: M. Brad Bennett

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<sup>1</sup> Applicant seeks to pool the interests of BTA Oil Producers and all working interest owners who derived their interest from BTA Oil Producers. Applicant believes that the attached list is a correct list of those working interest owners and further believes that BTA Oil Producers will represent all those owners in this case.

EXHIBIT B

Allby Associates  
Lloyd Alpern Trust  
Bernard E. Alpern Trust  
Bardamar Partnership  
Joesph E. Bell-Bulley Trust  
Blank Living Investment Trust  
Jesse Climenko  
James R. Currie  
Robert M. Davenport  
Thurston Dean, M.D.  
First City National Bank, Trustee #80417-02-03-04  
Forman Energy Corporation  
Gerald M. Frank  
Ann M. Gallop  
M. Robert Gallop  
Richard & Karlene Garber  
Barbara G. Gilbert  
Salvatore Glordano, R.s  
The Glickman Revocable Living Trust  
Milton S. Gould  
Louis Jackson  
Sylvia F. Jackson  
NCNB Texas National Bank, Trustee  
for trust #1430-1-09  
NCNB Texas National Bank, Trustee  
for trust #1430-2-09  
NCNB Texas National Bank, Trustee  
for trust #1430-3-09  
NCNB Texas National Bank, Trustee  
for trust #1430-4-09  
NCNB Texas National Bank, Trustee  
for trust #1430-5-09  
Oxnard Investors  
Roger P. Palma  
Saul Poliak Revocab's Management Trust  
George T. Scharffenbarger  
William A. Shea  
Robert C. Stone  
Pamela Stone  
Gary R. Stone  
Mary R. Stone  
Robert J. Strassenburgh, II  
Trobaugh Properties  
Elizabeth Wolf  
Ilwa B. Wolf Estate  
Carlton Beal  
Carlton Beal, Jr.  
Barry Beal  
Spencer Beal  
Kelly Beal  
Barry Beal, Jr.

Gerald N. Frank  
HRK Equity Corporation  
Trust U/W/O Samuel Klau  
Roger P. Palma  
Keleen H. Beal