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January 25, 2002

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JAN 25 2 18 PM '02
New Mexico Oil Conservation Division
1220 South St. Francis, Pinon Bldg.
Santa Fe, New Mexico 87505
Attn: Florene Davidson

VIA FACSIMILE
(505) 476-3462
AND REGULAR MAIL

RE: Application of TMBR/Sharp Drilling, Inc.
For Compulsory Pooling
Lea County, New Mexico

Case 12816

Dear Florene:

I enclose herewith (by mail) for filing with the Division triplicate originals of the captioned application. I appreciate your cooperation in allowing me to file the same today via facsimile. I would appreciate your telephonic advice as to the case number that will be assigned to this matter for future reference. As I previously told you, I am only "filling in" for Tom Kellahin, who will take the necessary steps to effect his substitution upon his return from wherever he is. Thank you for your help.

Very truly yours,


Phil Brewer

PTB:elh

BEFORE THE NEW MEXICO
OIL CONSERVATION DIVISION

APPLICATION OF TMBR/SHARP DRILLING,
INC. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

APPLICATION

Case 12816

TMBR/Sharp Drilling, Inc., by its undersigned attorneys, hereby makes application of an Order pooling all interests in the formations described below underlying the N/2 of Section 25, Township 16 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show:

1. Applicant is the working interest owner of certain interests in the N/2 of Section 25, Township 16 South, Range 35 East, Lea County, New Mexico.

2. Applicant proposes to drill a well at a standard location in the SW/4NW/4 of Section 25, to test all formations/pools under said lands currently spaced on 320-acre gas spacing units, including but not limited to the Mississippian formation, with the N/2 of Section 25 to be dedicated to the well.

3. Applicant has in good faith sought to join all other mineral owners in the N/2 of Section 25 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, some mineral interest owners have refused to join in dedicating their acreage or are not locatable. Therefore, Applicant seeks an Order pooling all mineral interest owners in the formations identified above underlying the N/2 of Section 25 pursuant to § 70-2-17 N.M.S.A. 1978.

5. Applicant asks that the Division consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and costs charged for supervision. Applicant also requests that it be designated as operator of the well and that the Division set a penalty for the risk involved in drilling the well.

6. The pooling of all mineral interests in the formations identified above underlying the N/2 of Section 25 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.



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Dated: January 25, 2002