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June 27, 1994

HAND-DELIVERED

111 2 8 1001

William J. LeMay, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources State Land Office Building Santa Fe, New Mexico 87503

11022

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

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Bass Enterprises Production Co., in the abovereferenced case as well as a copy of a legal advertisement. Bass Enterprises Production Co., respectfully requests that this matter be placed on the docket for the July 21, 1994 Examiner hearings.

Very truly yours,

WILLIAM F. CARR

WFC:mlh Enclosures

cc: Mr. J. Wayne Bailey (w/enclosures) Bass Enterprises Production Co.
201 Main Street Fort Worth, TX 76102-3131

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF BASS ENTERPRISES PRODUCTION CO. (19) 2 8 199 FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. / 1022

APPLICATION

BASS ENTERPRISES PRODUCTION CO., through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), for an order pooling all mineral interests in all formations developed on 320-acre spacing in the S/2 of Section 12, Township 22 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant owns or represents approximately 62.5% of the working interest in the S/2 of Section 12, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced spacing or proration units to its James Ranch Unit No. 70 Well to be drilled at an orthodox location 660 feet from the South line and 1,980 feet from the East line of Section 12, to a depth of approximately 14,100 feet, more or less, to test any and all formations from the surface to the base of the Morrow formation.

3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the S/2 of said Section 12.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before an Examiner of the Oil Conservation Division on July 21, 1994 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

By: F. CARR

WILLIAM F. CARR Post Office Box 2208 Santa Fe, New Mexico 87504 Telephone: (505) 988-4421

ATTORNEYS FOR BASS ENTERPRISES PRODUCTION CO.

APPLICATION, Page 2 CASE <u>110.22</u>: Application of Bass Enterprises Production Co., for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, in all formations developed on 320-acre spacing, underlying the S/2 of Section 12, Township 22 South, Range 30 East. Said unit is to be dedicated to the James Ranch Unit No. 70 Well, to be drilled at a standard location 660 feet from the South line and 1,980 feet from the East line of said Section 12. 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 operator of the well and a charge for risk involved in drilling said well. Said area is located approximately _____ miles ______ of ______, New Mexico.

JIN 2 8 1994