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*NOT LICENSED IN NEW MEXICO

Florene Davidson
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503

Re: Application of Breck Operating Corp. for
Compulsory Pooling, San Juan County, New
Mexico

Dear Florene:

Please find enclosed the original and two copies of the above-
referenced Application, along with a proposed advertisement.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

Fran Sowers
Fran Sowers, Secretary
to James Bruce

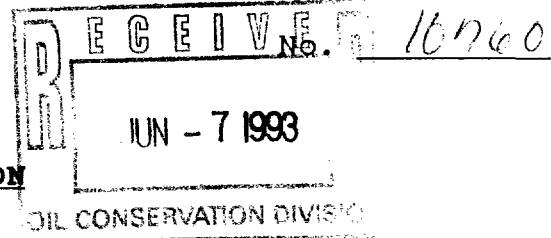
Enclosures

VIA HAND DELIVERY

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF BRECK OPERATING
CORP. FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO.



APPLICATION

OIL CONSERVATION DIVISION

Breck Operating Corp. hereby makes application for an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the W $\frac{1}{2}$ of Section 20, Township 28 North, Range 10 West, N.M.P.M., San Juan County, New Mexico, and in support thereof states:

1. Applicant is the operator of the Kutz-Government 9 Well located 1,650 feet from the North line and 990 feet from the West line of said Section 20.

2. Applicant has recompleted said well in the Basin-Fruitland Coal Gas Pool, and has dedicated the W $\frac{1}{2}$ of Section 20 to the well.¹

3. Applicant has in good faith sought to join all other leasehold interest owners in the W $\frac{1}{2}$ of Section 20 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all leasehold interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in

¹The non-standard location was approved by Division Administrative Order NSL-3094.

dedicating their acreage. Therefore, Applicant seeks an order pooling all leasehold interest owners underlying the W $\frac{1}{2}$ of Section 20 pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).

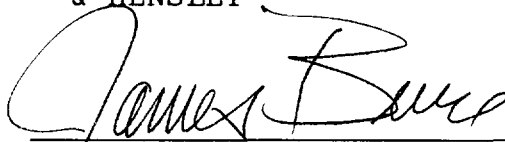
5. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty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

6. The pooling of all interests underlying the W $\frac{1}{2}$ of Section 20 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that the Division grant the relief requested above.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Applicant

PROPOSED ADVERTISEMENT

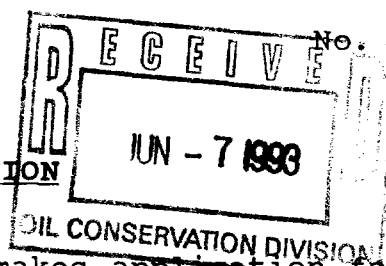
16760

Application of Breck Operating Corp. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all interests in the Basin-Fruitland Coal Gas Pool underlying the W½ of Section 20, Township 28 North, Range 10 West, forming a standard 320-acre gas spacing and proration unit for said pool developed within said vertical extent. Said unit is to be dedicated to the Applicant's Kutz-Government 9 Well, recompleted at an approved unorthodox location within said W½ proration unit. Also to be considered will be the cost of recompleting 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 the risk involved in drilling said well. Said well is located approximately five miles southeast of Bloomfield.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF BRECK OPERATING
CORP. FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO.

APPLICATION



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2. Applicant has recompleted said well in the Basin-Fruitland Coal Gas Pool, and has dedicated the W $\frac{1}{2}$ of Section 20 to the well.¹

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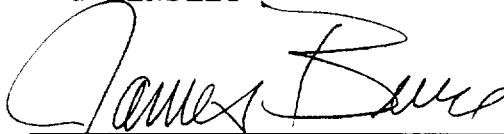
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WHEREFORE, Applicant requests that the Division grant the relief requested above.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

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James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
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Attorneys for Applicant

PROPOSED ADVERTISEMENT

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