

CASE NO.

7700

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
13 October 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Depco, Incorporated, for	CASE
compulsory pooling, Chaves County, New	7700
Mexico.	

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	W. Perry Pearce, Esq.
Division:	Legal Counsel to the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87501

For the Applicant:

1
2 MR. NUTTER: We will call next Case Num-
3 ber 7700.

4 MR. PEARCE: That is on the application
5 of Depco, Incorporated, for compulsory pooling, Chaves
6 County, New Mexico.

7 Mr. Examiner, we have received a request
8 from the applicant in this matter that this matter be dis-
9 missed.

10 MR. NUTTER: Case Number 7700 will be
11 dismissed.

12
13 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

I certify that the foregoing is
a true and correct transcript of the proceedings in
the hearing of Case No. 7100
heard by me on 10/13 1982.

[Signature], Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 453-7499

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7700
Order No. R-7111

APPLICATION OF DEPCO, INC. FOR
COMPULSORY POOLING, CHAVES
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 13, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of October, 1982, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.


IT IS THEREFORE ORDERED:

That Case No. 7700 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director



S E A L
fd/

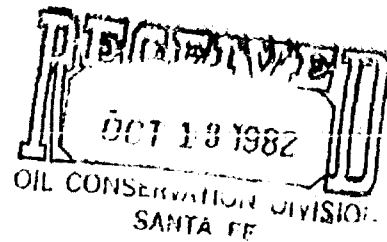
A. J. LOSEE
JOEL M. CARSON
CHAD DICKERSON
DAVID R. VANDIVER
ELIZABETH LOSEE

LAW OFFICES
LOSEE, CARSON & DICKERSON, P. A.
300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

AREA CODE 505
746-3508

October 11, 1982

Mr. Joe D. Ramey, Director
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501



Re: Case No. 7700
Depco, Inc.
Benedict Federal Com. No. 1 Well
NW/4 Section 18, T-5-S, R-25-E, N.M.P.M.
Chaves County, New Mexico

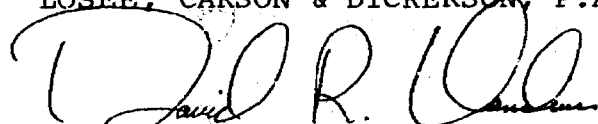
Dear Mr. Ramey:

Please dismiss the above case, entitled "In the Matter of the Application of Depco, Inc. for Compulsory Pooling, Chaves County, New Mexico."

Thank you.

Very truly yours,

LOSEE, CARSON & DICKERSON, P.A.


David R. Vandiver

DRV:paf

cc: Mr. J. T. Hutchison

Dockets Nos. 33-82 and 34-82 are tentatively set for October 27 and November 10, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 13, 1982

9 A.M. - MORGAN HALL - STATE LAND OFFICE
BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for November, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for November, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7638: (Continued from September 15, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cibola Energy Corporation, American Employers Insurance Company and all other interested parties to appear and show cause why the Simms Ranch Well No. 1, located in Unit N, Section 9, the Clyde Berlier Well No. 1, located in Unit K and the Clyde Berlier Well No. 2, located in Unit F, both in Section 21, the Mora Ranch Well No. 3 located in Unit M and the Mora Ranch Well No. 4, located in Unit M, both in Section 5, all in Township 21 North, Range 21 East, Mora County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7637: (Continued from September 15, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R.A.F. Enterprises, Fireman's Fund Insurance Company and all other interested parties to appear and show cause why the Shaw Well No. 1, located in Unit M, Section 18, Township 4 North, Range 8 East, Torrance County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7698: Application of Joel B. Burr, Jr. for a non-standard proration unit and an unorthodox location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 560 feet from the North line and 2440 feet from the West line of Section 29, Township 30 North, Range 12 West, Pulcher Kutz Pool, and a 120-acre non-standard proration unit comprising the N/2 NW/4 and SW/4 NW/4 of said Section 29 to be dedicated to the well.

CASE 7696: (Continued from September 29, 1982, Examiner Hearing)

Application of Arco Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian through Ellenburger formations underlying the E/2 of Section 31, Township 20 South, Range 36 East, to be dedicated to a well to be drilled at a standard location thereon. 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.

CASE 7699: Application of Sun Exploration & Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 12, Township 19 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. 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.

CASE 7700: Application of Depco, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation underlying the NW/4 of Section 18, Township 5 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. 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.

Examiner Hearing - Wednesday - October 13, 1982

CASE 7701: Application of Amoco Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the perforated interval from 12002 feet to 12012 feet in its Federal "A" Well No. 5 located 810 feet from the South line and 1980 feet from the West line of Section 13, Township 9 South, Range 35 East.

(Continued from September 15, 1982, Examiner Hearing)

CASES 7666, 7668, and 7669: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant in each of the three following cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7666: SW/4 Section 3;

CASE 7668: NW/4 Section 14;

All of the above being in Township 5 South, Range 24 East and

CASE 7669: NW/4 of Section 2, Township 9 South, Range 25 East.

CASE 7670: (Continued from September 15, 1982, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 14 South, Range 27 East, to be dedicated to a well to be drilled at a standard location thereon. 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.

CASE 7702: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning discovery allowables, contracting, and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Cherry Canyon production and designated as the Antelope Ridge-Cherry Canyon Pool. Further, to assign approximately 34,590 barrels of discovery allowable to the discovery well the Estoril Production Corporation Triple A Federal Well No. 2 located in Unit J of Section 10, Township 23 South, Range 34 East, NMPL. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPL
Section 10: SE/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Cherry Canyon Production and designated as the Brushy Draw-Cherry Canyon Pool. Further, to assign approximately 25,410 barrels of discovery allowable to the discovery well, the J. C. Williamson UCBEM Federal Well No. 1 located in Unit M of Section 25, Township 26 South, Range 29 East, NMPL. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPL
Section 25: SW/4

- (c) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the West Buffalo Valley-Pennsylvanian Gas Pool. The discovery well is the Clements Energy, Inc. Drumm Com Well No. 1 located in Unit E of Section 33, Township 14 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 26 EAST, NMPM

Section 33: All

Section 34: All

Section 35: All

- (d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the North Grama Ridge-Wolfcamp Gas Pool. The discovery well is the HNG Oil Company San Simon 19 State Well No. 1 located in Unit J of Section 19, Township 21 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM

Section 19: S/2

- (e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Yates and Seven Rivers production and designated as the South House-Yates-Seven Rivers Gas Pool. The discovery well is the Alpha-Twenty One Production Company Colvin Federal Well No. 1 located in Unit B of Section 17, Township 20 South, Range 39 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM

Section 17: Lots 1 and 2 and NW/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the McDonald-Devonian Pool. The discovery well is the Harvey E. Yates Company McDonald Unit Well No. 2 located in Unit D of Section 3, Township 14 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM

Section 3: NW/4

- (g) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the Palma Mesa-Pennsylvanian Gas Pool. The discovery well is the Bault Petroleum Corporation Bauld State Well No. 1 located in Unit M of Section 13, Township 8 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM

Section 13: S/2

- (h) CONTRACT the Bar N-Pennsylvanian Pool in Chaves County, New Mexico, to correct overlap with the Tobac-Pennsylvanian Pool, by the deletion of the following described area:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM

Section 31: NE/4

- (i) EXTEND the Austin-Mississippian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 36 EAST, NMPM

Section 32: S/2

- (j) EXTEND the Blinberry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 7: SE/4

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 6: SW/4

Section 7: N/2

- (k) EXTEND the Bootleg Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 7: E/2

- (l) EXTEND the Buckeye-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 4: SE/4

- (m) EXTEND the Buffalo-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 9: S/2

- (n) EXTEND the Carlsbad-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 27 SOUTH, RANGE 27 EAST, NMPM
Section 16: All
Section 21: N/2

- (o) EXTEND the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM
Section 7: SE/4

- (p) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 17: SW/4
Section 12: E/2
Section 20: NW/4

- (q) EXTEND the Diamond Mound-Atoka-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 34: N/2

- (r) EXTEND the EK-Bona Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 30: SW/4

- (s) EXTEND the Empire-Abo Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 19: SE/4
Section 30: N/2 NE/4

- (t) EXTEND the East Gam-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 25: E/2 and SW/4
Section 35: S/2

- (u) EXTEND the East Grana Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 31: N/2
Section 32: N/2

- (v) EXTEND the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 9: E/2

- (w) EXTEND the Indian Flats-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 29 EAST, NMPM
Section 36: E/2

- (x) EXTEND the South Kemnitz-Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 20: W/2

- (y) EXTEND the Langlie Mattix-Seven Rivers-Queen-Grayburg Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 35: NE/4

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM
Section 30: SE/4

- (z) EXTEND the Linda-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM
Section 32: W/2 NE/4, S/2 NW/4 and NW/4 NW/4

- (aa) EXTEND the North Loving-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 13: E/2

- (bb) EXTEND the Lovington-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 28: S/2

- (cc) EXTEND the Maljamar-Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 1: NW/4

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 26: SW/4

- (dd) EXTEND the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM
Section 9: S/2
Section 10: All

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM
Section 1 through 4: All
Section 11: E/2
Section 12 through 14: All
Section 23 through 26: All
Section 35 and 36: All

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM

Section 1: All
 Section 2: All
 Section 7: All
 Section 18: All
 Section 19: All
 Section 20: W/2
 Section 28: W/2
 Section 29 through 32: All

- (ee) EXTEND the Sand Point-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 10: N/2

- (ff) EXTEND the Skaggs-Abo Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 11: SE/4
 Section 12: NE/4, W/2 and N/2 SE/4
 Section 14: N/2

- (gg) EXTEND the Tomahawk-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM

Section 19: NE/4

- (hh) EXTEND the Tower-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 31 EAST, NMPM

Section 3: SW/4

- (ii) EXTEND the Turkey Track-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 22: SE/4

- (jj) EXTEND the Vacuum-Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM

Section 32: SW/4

- (kk) EXTEND the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM

Section 12: SW/4
 Section 13: NW/4
 Section 14: E/2 and SW/4
 Section 23: NE/4

LAW OFFICES

LOSEE, CARSON & DICKERSON, P. A.

300 AMERICAN HOME BUILDING

P. O. DRAWER 239

ARTESIA, NEW MEXICO 88211-0239

AREA CODE 505

746-3508

A. J. LOSEE

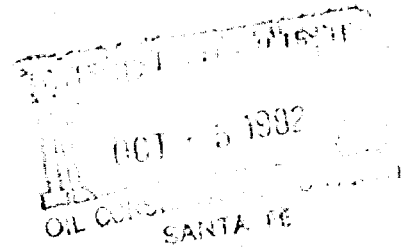
JOEL M. CARSON

CHAD DICKERSON

DAVID R. VANDIVER

ELIZABETH LOSEE

October 4, 1982



Mr. Joe D. Ramey, Director
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 7700
DEPCO, Inc. Application
for Compulsory Pooling
Chaves County, New Mexico

Dear Mr. Ramey:

Enclosed for filing in the captioned case, please find an Affidavit of Mailing reflecting the mailing of copies of the application and the docket to Cities Service Company.

Thank you.

Very truly yours,

LOSEE, CARSON & DICKERSON, P.A.

David R. Vandiver
David R. Vandiver

DRV:pvm
Enclosure

cc: Mr. J. T. Hutchison

MINERAL OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
DEPCO, INC. FOR COMPULSORY POOLING, : CASE NO. 7700
CHAVES COUNTY, NEW MEXICO :

AFFIDAVIT OF MAILING

STATE OF NEW MEXICO)
COUNTY OF EDDY)

The undersigned, being first duly sworn, upon oath, states that on the 4th day of October, 1982, the undersigned did mail in the United States Post Office at Artesia, New Mexico, true copies of the following instruments:

1. Application for Compulsory Pooling of mineral interests in the Benedict Federal Com. No. 1 Well; located at a lawful location in NW/4 Section 18, Township 5 South, Range 25 East, N.M.P.M., Chaves County, New Mexico; and
2. Docket reflecting hearing on such Application at the Oil Conservation Division in Santa Fe, New Mexico, on the 13th day of October, 1982;

in a securely sealed postage prepaid envelope addressed to the following named party:

<u>NAME</u>	<u>ADDRESS</u>
Cities Service Company	P. O. Box 1919 Midland, Texas 79702

Patti Menefee
Patti Menefee

SUBSCRIBED AND SWORN TO before me this 4th day of
October, 1982.

Patricia Ferguson
Notary Public

My commission expires:

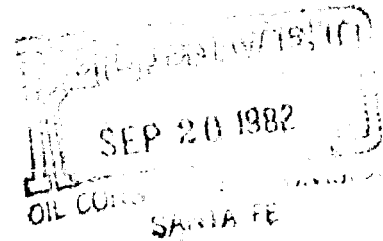
11-3-84

A. J. LOSEE
JOEL M. CARSON
CHAD DICKERSON
DAVID R. VANDIVER
ELIZABETH LOSEE

LAW OFFICES
LOSEE, CARSON & DICKERSON, P. A.
300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

AREA CODE 505
746-3508

September 16, 1982



Mr. Joe D. Ramey, Director
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Enclosed for filing, please find three copies of the Application of DEPCO, Inc. for Compulsory Pooling in Chaves County, New Mexico.

We ask that the case be set for hearing before an examiner and that you furnish us with a docket of said hearing.

Thank you.

Very truly yours,

LOSEE, CARSON & DICKERSON, P.A.


David R. Vandiver

DRV:pvm
Enclosures

cc: DEPCO, Inc.

IN THE MATTER OF THE APPLICATION OF
DEPCO, INC. FOR PERMITS TO DRILL
CHAVES COUNTY, NEW MEXICO

DATE 12/26/68

ALSO COMES NOW

COMES NOW DEPCO, Inc., by its attorneys, and in support hereof, respectfully states:

1. Applicant has the right to drill its Benedict Federal Com. No. 1 Well as a gas well, to a depth sufficient to test the Abo formation, which is to be located at a lawful location in NW/4 Section 18, Township 5 South, Range 25 East, N.M.P.M., Chaves County, New Mexico.

2. The applicant intends to dedicate the NW/4 of said section to this well, and there is an interest owner in the proration unit who has not agreed to pool its interest. The party who has not agreed to pool its interest, and its address is as follows:

<u>NAME</u>	<u>ADDRESS</u>
Cities Service Company	P. O. Box 1919 Midland, Texas 79702

3. Applicant should be designated the operator of the well and the proration unit.

4. To avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense, its just and fair share of the gas in said unit, all mineral interests, whatever they may be, from the surface to the base of the Abo formation, underlying the NW/4 of said Section 18, should be pooled.

5. That any non-consenting working interest owner that does not pay its share of estimated well costs should have withheld from production its share of the reasonable well

costs, plus an additional 200% thereof as a reasonable charge for the risk involved in the drilling of the well.

C. Applicant should be authorized to withhold from production the proportionate share of a reasonable supervision charge for drilling and producing wells attributable to each non-consenting working interest owner.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order pooling all mineral interests, whatever they may be, from the surface to the base of the Abo formation, underlying the NW/4 of said Section 18, Township 5 South, Range 25 East, N.M.P.M., Chaves County, New Mexico, to form a 160-acre spacing unit dedicated to applicant's well.

C. And for such other and further relief as may be just in the premises.

DEPCO, INC.

By: 

David R. Vandiver

LOSEE, CARSON & DICKERSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant

SEP 20 1982