

ERNEST L. PADILLA
ATTORNEY AND COUNSELOR AT LAW

First Northern Plaza
P.O. Box 2523
Santa Fe, New Mexico 87501
(505) 988-7577

September 27, 1983

Joe D. Ramey, Director
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

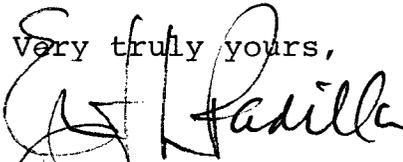
Case 7973

RE: Application of Santa Fe Exploration Company
for Compulsory Pooling, Lea County, New Mexico

Dear Mr. Ramey:

Enclosed you will find the above referenced applica-
tion, in triplicate, for filing.

Please let me know if you have any questions regard-
ing the above.

Very truly yours,

Ernest L. Padilla

ELP/bv

Enc

cc: Santa Fe Exploration Company

SEP 28 1983

RECEIVED

OIL CONSERVATION DIVISION

BEFORE THE OIL CONSERVATION DIVISION

SEP 28 1983

STATE OF NEW MEXICO

RECEIVED

IN THE MATTER OF THE APPLICATION
OF SANTA FE EXPLORATION COMPANY
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO

NO. 7973

APPLICATION

Applicant, Santa Fe Exploration Company, by
and through its undersigned attorney, and in support of
this application alleges and states as follows:

1. That Applicant is an owner within the mean-
ing of Section 70-2-17(c), NMSA, 1978 Compilation, and as
such seeks to force-pool all of the oil and gas mineral
interests from the surface of the earth down to and includ-
ing the base of the Morrow formation underlying the E/2,
Section 18, Township 18 South, Range 34 East, NMPM, Lea
County, New Mexico, containing 320 acres, more or less
(said lands).

2. That Applicant proposes to drill a well at
a standard location on said lands.

3. That the Applicant will dedicate said lands
to the well and desires to be designated as the operator.

4. That the Applicant has obtained the consent
of the working interest and royalty owners in the proposed
proration unit except for the following:

<u>Name</u>	<u>Working Interest</u>
Marathon Oil Company	25%

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.

6. That Applicant should be authorized to withhold from production a reasonable supervision charge, attributable to each non-consenting working interest owner's proportionate share, during the drilling and production stages of the well.

7. That to avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in the proposed proration unit the opportunity to recover or receive without unnecessary expense its just and fair share of the hydrocarbons in the unit, said lands should be pooled as proposed herein.

WHEREFORE, Applicant respectfully requests:

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

2. That upon hearing the Division enter its Order pooling all oil and gas mineral interests from the surface of the earth down to and including the base of the Morrow formation as a standard proration or spacing unit, underlying the E/2 of Section 18, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

3. And for such other relief as the Division
may deem appropriate in the premises.

A handwritten signature in black ink, appearing to read "Ernest L. Padilla". The signature is written in a cursive style with a horizontal line underneath it.

ERNEST L. PADILLA
Attorney for Applicant

P.O. Box 2523
Santa Fe, NM 87501
Telephone: 505-988-7577

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2. That Applicant proposes to drill a well at a standard location on said lands.

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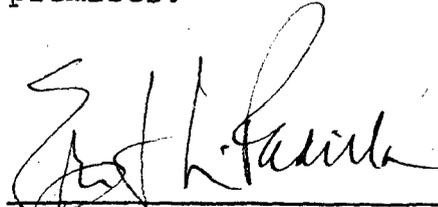
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