

**MESA GRANDE RESOURCES, INC.**  
**1200 PHILTOWER BUILDING**  
**TULSA, OKLAHOMA 74103**  
**(918) 587-8494**

December 6, 1983

DEC 7 1983

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

RE: Application of Mesa Grande Resources, Inc.  
For Compulsory Pooling; Rio Arriba County,  
New Mexico

Dear Mr. Ramey:

Enclosed is the original and two copies of the above-referenced application for filing with your office.

Thank you for your assistance and consideration.

Very truly yours,

*Michael L. Wallace / BV*

Michael L. Wallace  
Land Manager & General Counsel

MLW/bv

Encls

BEFORE THE OIL CONSERVATION DIVISION  
STATE OF NEW MEXICO

DEC 7 1983

RECEIVED

IN THE MATTER OF THE APPLICATION  
OF MESA GRANDE RESOURCES, INC.  
FOR COMPULSORY POOLING, RIO ARRIBA  
COUNTY, NEW MEXICO

NO. \_\_\_\_\_

APPLICATION

Applicant, Mesa Grande Resources, Inc., by and through its undersigned attorney, and in support of this application alleges and states as follows:

1. That Applicant is operator and owner within the meaning of Section 70-2-17(c), N.M.S.A., 1978 Compilation, and as such seeks to force-pool all of the oil and gas mineral interests from the top of the Mesa Verde formation to the base of the Dakota formation in the S/2 of Section 26, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico (said lands).

2. That Applicant proposes to drill a well at a standard location on said lands to a depth sufficient to test the Dakota formation.

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

4. That the following working interest owners have not consented to the drilling of the well described above:

Mr. & Mrs. W.W. Oatman  
Mr. & Mrs. H.M. Reed  
Trustee, Warren Clark Trust  
P.O. Box 1846  
Austin, Texas 78767

Northwest Pipeline Co.  
P.O. Box 5800  
Terminal Annex  
Denver, Colorado 80217

Gulf Exploration & Production  
P.O. Box 1150  
Midland, Texas 79702

Jerome P. McHugh & Assoc.  
650 S. Cherry, Suite 225  
Denver, Colorado 80202

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 at the next available hearing date 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 top of the Mesa Verde formation to the base of the Dakota formation underlying S/2 of Section 26, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico.

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

Respectfully submitted,

Michael L. Wallace  
Michael L. Wallace  
Attorney for Applicant

1200 Philtower Building  
Tulsa, Oklahoma 74103