

LAW OFFICES

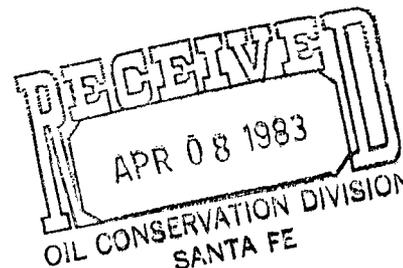
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P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

AREA CODE 505
746-3508

April 6, 1983



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

Case 7861

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

Very truly yours,

LOSEE, CARSON & DICKERSON, P.A.

David R. Vandiver
David R. Vandiver

DRV:pvm
Enclosures

cc w/enclosure: Ms. Catherine Jo Sneed

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
DEPCO, INC. FOR COMPULSORY POOLING, : CASE NO. 7861
CHAVES COUNTY, NEW MEXICO :
_____ :

APPLICATION

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

1. Applicant has the right to drill its Rose Federal Com. No. 13 Well as a gas well, to a depth sufficient to test the Abo formation, which is to be located 1,980 feet from the south line and 1,980 feet from the west line of Section 21, Township 5 South, Range 25 East, N.M.P.M., Chaves County, New Mexico.

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

Ruth L. Hackleman
4842 Hirsch Road
Mariposa, California 95338

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 SW/4 of Section 21, 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.

6. 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:

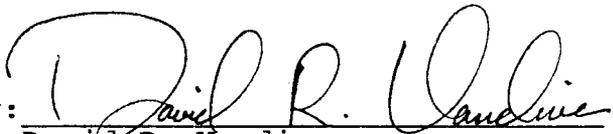
A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

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 SW/4 of said Section 21, 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