

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. 7870
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. 10 Well as a gas well, to a depth sufficient to test the Abo formation, which is to be located at a lawful location in SE/4 Section 21, Township 5 South, Range 25 East, N.M.P.M., Chaves County, New Mexico.

2. The applicant intends to dedicate the SE/4 of said section to this well, and there is an interest owner in the proration 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 SE/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.

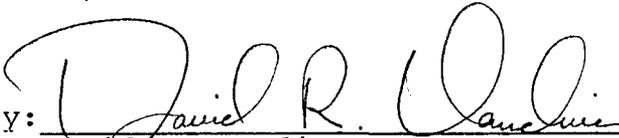
WHEREFORE, applicant prays:

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 SE/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

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Attorneys for Applicant