

NOV 05 1982

RECEIVED

BEFORE THE  
OIL CONSERVATION DIVISION  
ENERGY & MINERALS DEPARTMENT  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION )  
OF JACK J. GRYNBERG FOR DECLARATION )  
OF A COMPULSORY POOLING, TOWNSHIP 9 )  
SOUTH, RANGE 27 EAST, SECTION 18: )  
NE/4, CHAVES COUNTY, NEW MEXICO )

Case No. 7249

A P P L I C A T I O N

The applicant, JACK J. GRYNBERG, d/b/a JACK GRYNBERG AND ASSOCIATES, by its attorneys Jones, Gallegos, Snead & Wertheim, P.A., hereby requests an order forming a drilling unit covering 160 acres of land in Chaves County, New Mexico, and in support of its application states:

1. Pursuant to the Oil and Gas Act (Sec. 70-2-17, et seq., N.M.S.A. 1978) the applicant desires to obtain an order of the Division declaring a drilling unit covering those certain lands upon which the specified mineral ownership is held, described as follows:

TOWNSHIP 9 SOUTH, RANGE 27 EAST, N.M.P.M.

Section 18: NE/4 160 acres

(see Exhibit "A")

2. There presently exists a producing gas well in Township 9 South, Range 27 East, Section 19: NW/4 (Elk Oil Company); the potentially producing reservoirs have been reasonably defined by that development and development on surrounding acreage.

3. This application seeks pooling of all of the subject acreage from the surface down through and including the Abo formation.

1           4.    The Stephan Mark Trust, Miriam Zela Trust and  
2 Rachel Susan Trust, collectively referred to as the Grynberg  
3 Trusts, are the holders of state lease L-6907 covering 120  
4 acres of the proposed unit and being within said Section 18 as  
5 follows: N/2 NE/4, SW/4 NE/4. The applicant is an owner of an  
6 interest in the subject acreage under §70-2-33(e) entitled to  
7 make this Application on behalf of himself and the Grynberg  
8 Trusts. Applicant asks designation as operator of the unit and  
9 if he is designated as operator of the unit, he will operate  
10 under a unit agreement and plan of operation customary and  
11 usual in the Permian Basin of New Mexico, or as otherwise  
12 ordered by the Division.

13           5.    A map of the proposed drilling unit is attached  
14 hereto and marked as Exhibit "A" and also illustrates those  
15 portions of the unit under lease to the Grynberg Trusts.  
16 Additionally, a schedule, Exhibit "B", is attached and sets out  
17 the various working interest owners in the unit and their  
18 proportionate shares therein.

19           6.    The applicant believes that his method of  
20 operating, especially with respect to completion of the well  
21 sought to be drilled, is superior to that employed by all other  
22 working interest owners and, accordingly, believes that he  
23 would be the more prudent operator of this unit. The applicant  
24 also alleges that he is in a position to drill and complete the  
25 proposed well for a substantially lower cost than all other  
26 working interest owners. These factors will lead to greater  
27 ultimate recovery, the prevention of waste and the protection  
28 of correlative rights.

29           7.    If the unit is declared as sought by this  
30 application, the applicant will locate the well in a standard  
31 location in the NE/4 of Section 18 and will pool all formations  
32

1 through and including the Abo, with the probable producing  
2 horizon being the Abo.

3 WHEREFORE, the applicant requests the Division set  
4 this matter down for a hearing before an examiner at the  
5 earliest possible date, give notice as required by law and  
6 after hearing enter its Order (a) compulsory pooling the unit,  
7 as described, (b) assigning a risk factor for the proposed  
8 well, (c) providing for overhead to be charged during drilling  
9 and producing operations, (d) declaring the applicant to be  
10 the Operator of said unit, and (e) granting such further  
11 relief as is deemed proper.

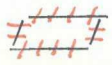
12  
13 JACK J. GRYNBERG

14 JONES, GALLEGOS, SNEAD & WERTHEIM, P.A.  
15 Attorneys for Applicant

16 By J. E. Gallegos  
17 J. E. GALLEGOS *by JEM*  
18 Post Office Box 2228  
19 Santa Fe, New Mexico 87501  
20 (505) 982-2691  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32

EXHIBIT "A"

Township 9 SOUTH, Range 27 EAST, County CHAVES, State NEW MEXICO,



Proposed Drilling Unit



The Grynberg Trusts Acreage

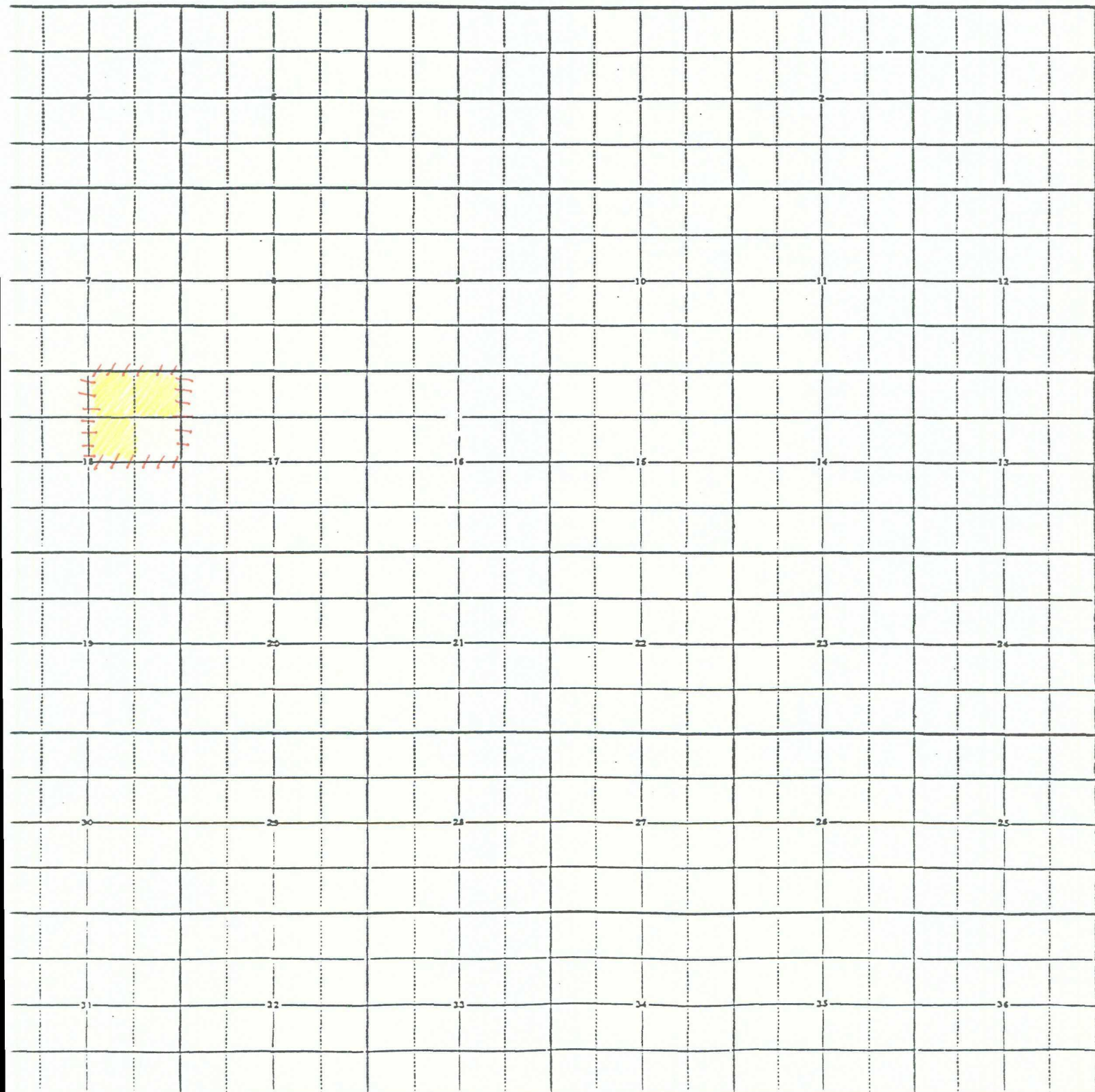


EXHIBIT "B"

RE: TOWNSHIP 9 SOUTH - RANGE 27 EAST

Section 18: NE/4

<u>WORKING INTEREST OWNER</u>	<u>INTEREST (%)</u>
The Grynberg Trusts	75.00
HEYCO, et al	25.00