

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF ANSON GAS CORPORATION FOR
COMPULSORY POOLING AND AN UNORTHODOX
OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 11695

APPLICATION

ANSON GAS CORPORATION, through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), for an order pooling all mineral interests from the surface to the base of the Strawn formation in the E/2 SE/4 of Section 11, Township 17 South, Range 37 East, Humble City-Strawn Pool, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Applicant owns or represents approximately 80% of the working interest in the E/2 SE/4 of Section 11, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Shipp 15 Well No. 1 to be drilled at an unorthodox oil well location in the E/2 SE/4 of said Section 11, to a depth of approximately 11,661 feet, more or less, to test any and all formations from the surface to the base of the Strawn formation.
3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the E/2 SE/4 of said Section 11.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. Applicant also seeks an exception to the provisions of Rule 4 of the Special Rules and Regulations for the Humble City-Strawn Pool (Order No. R-4338) to permit the drilling of this well at an unorthodox oil well location 2310 feet from the South line and 410 feet from the East line of said Section 11.

6. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before an Examiner of the Oil Conservation Division on December 15, 1994 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well and approving an unorthodox location for the well.