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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY OPERATING PARTNERS, L.P. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

NO. 11162

APPLICATION

Santa Fe Energy Operating Partners, L.P., hereby makes application for an order pooling all mineral interests in the Wolfcamp formation underlying the NW 1/4 NE 1/4 of Section 14, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

API No. 30-025 27269

- 1. Applicant is an interest owner and has the right to drill a well in the NW 1/4 NE 1/4 of said Section 14.
2. Applicant proposes to re-enter the existing Amoco Production Company Fed. BY Well No. 1, located 660 feet from the North line and 1980 feet from the East line of Section 14, and attempt a completion in the Wolfcamp formation, and seeks to dedicate the NW 1/4 NE 1/4 of Section 14 to said well, to be re-named the Shinnery "14" Fed. Well No. 9.
3. Applicant has in good faith sought to join all other mineral or leasehold interest owners in the NW 1/4 NE 1/4 of Section 14 for the purposes set forth herein.
4. Although Applicant attempted to obtain voluntary agreements from all mineral or leasehold interest owners to participate in the drilling/recompletion of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their acreage to the well. Therefore, Applicant seeks an

order pooling all mineral and leasehold interest owners in the Wolfcamp formation underlying the NW¼NE¼ of Section 14, as described above, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl. Pamp.).

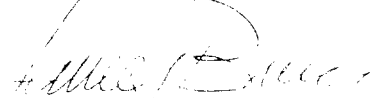
5. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling and/or completing the well.

6. The pooling of all interests in the Wolfcamp formation underlying the NW¼NE¼ of Section 14 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that the Division grant the relief requested above.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY



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