BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF DAVID PETROLEUM CORPORATION FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO. DEC 1 3 1994

CASE NO. ///83

APPLICATION

DAVID PETROLEUM 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 in the N/2 NE/4 of Section 33, for formations developed on 80-acre spacing and in the NW/4 NE/4 of Section 33 for all formations developed on 40acre spacing in Township 15 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Applicant is a working interest owner in the N/2 NE/4 of said Section 33, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Barton Fee No. 1 Well to be drilled at a standard location in the N/2 NE/4 of said $\int (\omega) = \cos f c$ Section 33, at a point 780 feet from the North line and 2090 feet from the East line to a depth of approximately 11,900 feet to test any and all formations from the surface to the base of the Strawn formation, West Lovington-Strawn Pool.

3. Applicant has sought and been unable to obtain either voluntary agreement for

pooling or farmout from certain interest owners in the N/2 NE/4 of said Section 33.

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

5. 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 January 5, 1995 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, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

Bv:

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ATTORNEYS FOR DAVID PETROLEUM CORPORATION