

Set for hearing

LAW OFFICES

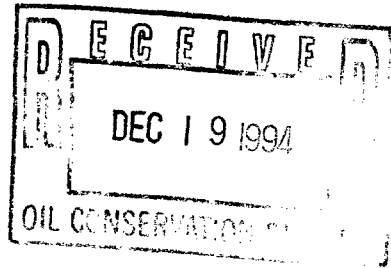
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December 16, 1994



VIA FACSIMILE AND FIRST CLASS MAIL

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

11190

Re: Application of MYCO Industries, Inc. for
Compulsory Pooling, Eddy County, New Mexico

Dear Mr. LeMay:

I am enclosing herewith for filing, MYCO's Application for
Compulsory Pooling, in duplicate.

We would ask that this case be set for the January 19, 1995,
docket. Please return a copy to me for my file.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

A handwritten signature in cursive script, appearing to read "Ernest L. Carroll". The signature is written in dark ink and is positioned above the printed name.

Ernest L. Carroll

ELC:kth
Encl.

xc w/encl: Nelson Muncy, Doug Hurlbut

RECEIVED
DEC 19 1994
OIL CONSERVATION DIVISION

CASE NO. 11190

COMES NOW MYCO INDUSTRIES, INC., by and through its attorneys, Losee, Carson, Haas & Carroll, P. A. and in support hereof, respectfully states:

1. Applicant has the right to drill its Reflex Federal #1 Well in the Morrow Formation as a gas well, which is to be located at a point 1,980 feet from the south line and 660 feet from the east line of Section 22, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

2. The applicant has dedicated the east half of said section to this well, and there are interest owners in the proration unit who have not agreed to pool their interests.

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 his just and fair share of the gas in said unit, all mineral interests, ~~the mineral interests in the~~
~~the C1500 formation in Section 22, Township 36N, Range 11E, and the~~
~~base of the Monaca formation in Section 22, Township 36N, Range 11E,~~
~~underlying the east half of said Section 22 should be pooled.~~

5. That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his 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 that:

A. This application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. Upon hearing the Division enter its order pooling all mineral interests, whatever they may be, from the top of the Cisco formation (9,850 feet below the surface) to the base of the Morrow formation (11,696 feet below the surface) underlying the east half of said Section 22, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, to form a 320-acre spacing unit dedicated to applicant's well.

C. And for such other relief as may be just in the premises.

MYCO INDUSTRIES, INC.

By: 
Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P.A.
P. O. Drawer 239
Artesia, New Mexico 88211-0239

Attorneys for Applicant