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

MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE

MICHAEL H. FELDEWERT TANNIS L. FOX TANYA M. TRUJILLO PAUL R. OWEN

JACK M. CAMPBELL OF COUNSEL JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

October 24, 1995

### **HAND-DELIVERED**

RECEIVED OCT 84 % 5 Oil Conservation Division

William J. LeMay, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 2040 South Pacheco Street Santa Fe, New Mexico 87505

Re: Application of Arlen Dickson for Compulsory Pooling, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Arlen Dickson in the above-referenced case as well as a copy of a legal advertisement. Arlen Dickson respectfully requests that this matter be placed on the docket for the November 16, 1995 Examiner hearings.

V¢ry truly yours,

Mau

WILLIAM F. CARR

WFC:mlh Enclosures cc: Arlen Dickson (w/enclosures) Arlen Dickson

#### **BEFORE THE**

#### OIL CONSERVATION DIVISION

#### NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF ARLEN DICKSON, FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

# Oil Conservation Division

ARLEN DICKSON, 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 Strawn and Atoka formation, in the W/2 of Section 20, Township 22 South, Range 27 Est, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is a working interest owner in the W/2 of Section 20, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced spacing or proration unit to an existing well which it proposes to re-enter located at a standard location in the W/2 of said Section 20, at a point 2198 feet from the North line and 1650 feet from the West line. Applicant proposes to test the Atoka and Strawn formations, Undesignated South Carlsbad-Strawn Gas Pool.

3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the W/2 of said Section 20.

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 requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 16, 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 re-entering, 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, P.A.

By: '

WILLIAM F. CARR Post Office Box 2208 Santa Fe, New Mexico 87504 Telephone: (505) 988-4421

ATTORNEYS FOR ARLEN DICKSON

APPLICATION, Page 2

CASE \_\_\_\_\_: Application of Arlen Dickson for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in the Atoka and Strawn formations, Undesignated South Carlsbad-Strawn Gas Pool, underlying the W/2 of Section 20, Township 22 South, Range 27 East, NMPM, forming a standard 320-acre gas spacing unit. Said unit to be dedicated to an existing well which will be re-entered, located at a standard location 2198 feet from the North line and 1650 feet from the West line of said Section 20. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately \_\_\_\_ miles \_\_\_\_\_\_ of \_\_\_\_\_\_, New Mexico.

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