

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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IN THE MATTER OF THE APPLICATION
OF ENRON OIL & GAS COMPANY
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

JUL 8 1996

Oil Conservation Division CASE NO. 11578

APPLICATION

ENRON OIL & GAS COMPANY ("Enron"), 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 Morrow formation underlying the S/2 of Section 32, Township 17 South, Range 30 East, in the following described manner: the S/2 forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing; the SW/4 forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing; and the S/2 SW/4 forming a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing, and in support thereof states:

1. Enron owns or represents in excess of 90% of the working interest in the S/2 of Section 32, on which it proposes to drill its Sand Tank "32" State Com. No. 1 Well as a wildcat to the Morrow formation at an orthodox location 660 feet from the South line and 1980 feet from the West line of Section 32 to a depth sufficient to test any and all formations

from the surface to the base of the Morrow formation.

2. Enron has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the S/2 of said Section 32.

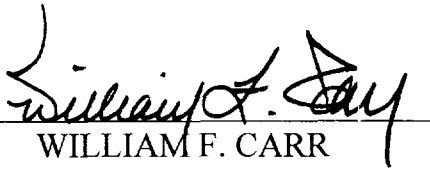
3. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

4. In order to permit the Enron 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.

WHEREFORE, Enron Oil & Gas Company prays that this application be set for hearing before an Examiner of the Oil Conservation Division on July 25, 1996 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Enron operator of the S/2 of said Section 32, and authorizing Enron 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.

Respectfully submitted,

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

By: 

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR ENRON OIL & GAS
COMPANY

CASE _____:

Application of Enron Oil & Gas Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 for all formations developed on 320-acre spacing, the SW/4 for all formations developed on 160-acre spacing; and the S/2 SW/4 for all formations developed on 80-acre spacing. Applicant proposes to dedicate this pooled unit to its Sand Tank "32" State Com. No. 1 Well to be drilled at a standard location 660 feet from the South line and 1980 feet from the West line of said Section 32. Also to be considered will 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 area is located approximately _____ miles _____ of _____, New Mexico.

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