

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

RECEIVED

IN THE MATTER OF THE APPLICATION
OF INTERCOAST OIL AND GAS COMPANY
FOR COMPULSORY POOLING AND
AN UNORTHODOX WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

FEB 24 1996

Oil Conservation Division

CASE NO. 11634

APPLICATION

INTERCOAST OIL AND GAS COMPANY ("InterCoast"), 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 for all formations developed on 320-acre spacing in the N/2 of Section 20, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. InterCoast owns or represents approximately 47% of the working interest in the N/2 of said Section 20, and has the right to drill thereon.
2. InterCoast proposes to dedicate the above-referenced spacing or proration unit to its InterCoast State 20 Well No. 1 which it proposes to drill at an unorthodox well location 990 feet from the North line and 990 feet from the East line of said Section 20.
3. InterCoast proposes to drill to a depth sufficient to test all formations on 320-acre spacing from the surface to the base of the Morrow formation.
4. InterCoast has sought and been unable to obtain either voluntary agreement for

pooling or farmout from certain interest owners in the N/2 of said Section 20.

5. Said pooling of interests will prevent waste and will protect correlative rights.

6. In order to permit InterCoast 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 at the proposed unorthodox well location.

WHEREFORE, InterCoast Oil and Gas Company prays that this application be set for hearing before an examiner of the Oil Conservation Division on October 17, 1996 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 supervision of the well, including overhead charges, imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well and approving an unorthodox location for the well 990 feet from the North line and 990 feet from the East line of said Section 20.

Respectfully submitted,

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

By: 

WILLIAM F. CARR
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Post Office Box 2208
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ATTORNEYS FOR INTERCOAST OIL
AND GAS COMPANY

CASE 11634

Application of InterCoast Oil and Gas Company for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests for all formations developed on 320-acre spacing in the N/2 of Section 20, Township 20 South, Range 28 East, from the surface to the base of the Morrow formation. Said unit is to be dedicated to its InterCoast State 20 Well No. 1 which will be drilled at an unorthodox location 990 feet from the North line and 990 feet from the East 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 area is located approximately _____ miles _____ of _____, New Mexico.

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Oil Conservation Division

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& SHERIDAN, P.A.
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September 24, 1996

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco
Santa Fe, New Mexico 87503

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SEP 27 1996
OIL CONSERVATION DIVISION

11634

Re: Application of InterCoast Oil and Gas Company for compulsory pooling and
an unorthodox well location, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of InterCoast Oil and Gas Company in the above-referenced case as well as a legal advertisement. InterCoast Oil and Gas Company respectfully requests that this matter be placed on the docket for the October 17, 1996 Examiner hearings.

Very truly yours,


WILLIAM F. CARR

WFC:mlh

Enclosures

cc: Mr. Rock Quinn, (w/enclosures)