

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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

CASE NO. 11817

**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 Chester formation underlying the W/2 of Section 16, Township 18 South, Range 30 East, in the following described manner: the W/2 forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing including the Sand Tank-Morrow Gas Pool, and 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 in support thereof states:

1. Enron owns a working interest in the W/2 of Section 16, on which it proposes to drill its Sand Tank "16" State Com. No. 1 Well as a wildcat to the Chester and Morrow formations at a standard location in the NW/4 SW/4 of Section 16 to a depth sufficient to test any and all formations from the surface to the base of the Chester formation.

2. Enron 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 16.

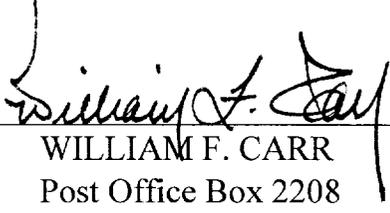
3. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

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 requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 24, 1997 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Enron operator of the W/2 of said Section 16, 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,

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& SHERIDAN, P.A.

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