

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF NM&O OPERATING
COMPANY FOR COMPULSORY POOLING,
RIO ARriba COUNTY, NEW MEXICO.

Case No. 12028

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OIL CONSERVATION DIV.

APPLICATION

NM&O Operating Company applies for an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the E½ of Section 14, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the E½ of said Section 14, and has the right to drill and operate a well thereon.

2. Applicant has re-completed the Koon Well No. 1, located at a previously approved unorthodox location 990 feet from the South line and 990 feet from the East line of the section, in the Basin-Fruitland Coal Gas Pool, and seeks to dedicate the E½ of Section 14 thereto.

3. Applicant has in good faith sought the voluntary joinder of all mineral (royalty and overriding royalty) interest owners in the E½ of Section 14 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, Applicant seeks an order pooling all mineral interest owners in the E½ of Section 14, as to the Basin-Fruitland Coal Gas Pool, pursuant to NMSA 1978 § 70-2-17 (1995 Repl. Pamp.).

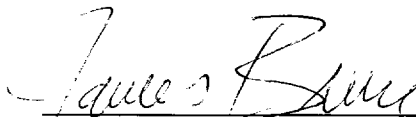
5. The pooling of all interests in the Basin-Fruitland Coal

Gas Pool underlying the E½ of Section 14 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order:

- (a) Pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the E½ of Section 14;
- (b) Designating applicant as operator of the well; and
- (c) Granting such further relief as the Division deems proper.

Respectfully submitted,


James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for NM&O Operating Company