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PLEASE REPLY TO SANTA FE

March 29, 1999

HAND-DELIVERED

12174

Ms. Florene Davidson
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Application of Energen Resources Corporation for Compulsory Pooling,
Lea County, New Mexico (Beadle No. 1)

Dear Florene:

Enclosed are the original and two copies of the Application of Energen Resources Corporation for Compulsory Pooling, Lea County, New Mexico. We request that this matter be scheduled for hearing on the April 29, 1999 examiner hearing docket.

Enclosed is a proposed advertisement for the referenced Application.

Thank you for your assistance.

Very Truly Yours,

J. Scott Hall

J. Scott Hall

Ms. Florene Davidson
March 29, 1999
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JSH:cw
Enclosure:

cc: Mr. Ken Gray

OIL CONSERVATION DIV.
STATE OF NEW MEXICO
93 MAR 29 PM 4:55
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
ENERGEN RESOURCES CORPORATION FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO

CASE NO. 12174

APPLICATION

ENERGEN RESOURCES CORPORATION, by its undersigned attorneys, Miller, Stratvert & Torgerson, P.A., hereby makes application pursuant to NMSA 1978 Section 70-2-17 (1995) for an order pooling all interests in the Strawn formation and Wolfcamp formation underlying the W/2 SW/4 of said Section 35, Township 15 South, Range 35 East, NMPM, Lea County, New Mexico, to form standard spacing and proration units for any formations and/or pools spaced on 80 acres within said vertical extent, and in support thereof, Applicant would show the Division:

1. Applicant owns certain working interests in and under the W/2 SW/4 of Section 35, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled units to its Beadle No. 1 well to be drilled a standard location 330 feet from the south line and 330 feet from the west line (Unit M) of said Section 35.

3. Applicant has been unable to obtain voluntary agreement for pooling or farmout from certain other interest owners in the W/2 SW/4 of said Section 35.

4. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled and Applicant should be designated operator of the well.

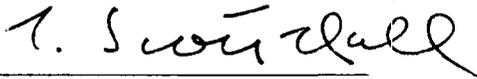
5. Certain of the Applicant's recently acquired working interests in the W/2 SW/4 are derived from an oil and gas lease with an expiration date of May 21, 1999. Accordingly, Applicant seeks the issuance of the Division's compulsory pooling order on an expedited basis.

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

WHEREFORE Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on April 29, 1999 and that after notice and hearing as required by law, the Division enter its Order pooling the lands, and including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a 200% risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well, and making such other and further provisions as maybe proper in the premises. For the reasons stated above, Applicant also requests the Division issue its Order on an expedited basis.

Submitted by,

MILLER, STRATVERT & TORGERSON, P.A.

By 

J. Scott Hall
Post Office Box 1986
Santa Fe, New Mexico 87504
(505) 989-9614

**ATTORNEYS FOR ENERGEN RESOURCES
CORPORATION**

Application of Energen Resources Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Strawn formation and the Wolfcamp formation underlying the W/2 SW/4 of Section 35, Township 15 South, Range 35 East, to form standard spacing and proration units for any formations and/or pools spaced on 80 acres within that vertical extent. The units will be dedicated to Applicant's Beadle No. 1 well to be drilled at a standard location 330 feet from the south and west lines (Unit M) of said Section 35. Also to be considered will be the costs and charges for supervision, designation of Applicant as operator of the well, and a charge for the risk involved in drilling the well. The subject lands, are located approximately 4 miles northwest of Lovington, New Mexico.

Case 12174

OIL CONSERVATION DIV
99 MAR 30 AM 7:49