

CL CONSERVATION DIV
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STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

**IN THE MATTER OF THE APPLICATION
OF REDWOLF PRODUCTION, INC.
FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 12299

APPLICATION

REDWOLF PRODUCTION, INC. ("Redwolf"), 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 formations from the surface to the base of the Pictured Cliffs formation in the following described spacing and proration units in the N/2 of Section 36, Township 26 North, Range 13 West, N.M.P.M., San Juan County, New Mexico:

- A. the N/2 for all formations and/or pools developed on 320-acre spacing and proration units which includes but is not necessarily limited to the Basin-Fruitland Coal Gas Pool;
- B. the NE/4 for all formations and/or pools developed on 160-acre spacing and proration units which includes but is not necessarily limited to the WAW-Fruitland Sand-Pictured Cliffs Pool; and
- C. The NE/4 NE/4 for all formations and/or pools developed on 40-acre spacing and proration units.

In support of its application, Redwolf states:

1. Redwolf is a working interest owner in the N/2 of Section 36 and has the right

to drill thereon.

2. Applicant proposes to dedicate the above-referenced spacing or proration units to its Bear Well No. 1 to be drilled to a standard location in the NE/4 NE/4 (Unit A) of said Section 36, to a depth sufficient to test any and all formations from the surface to the base of the Pictured Cliffs formation. The primary objective in the well will be the Fruitland Coal, Basin-Fruitland Coal Gas Pool.

3. Redwolf has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the subject spacing units identified on Exhibit A to this application.

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

5. In order to permit the Redwolf to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Redwolf Production, Inc. should be designated the operator of the well to be drilled.

WHEREFORE, Redwolf Production, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 2, 1999 and, after notice and hearing as required by law, the Division enter its order:

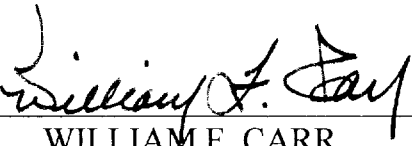
- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Redwolf Production, Inc. operator of these units and the well to be drilled thereon,
- C. authorizing Redwolf to recover its costs of drilling, equipping and completing

the well,

- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by Redwolf in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of 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 REDWOLF PRODUCTION, INC.

EXHIBIT A

**APPLICATION OF
REDWOLF PRODUCTION, INC.
FOR COMPULSORY POOLING
N/2 OF SECTION 36, TOWNSHIP 26 NORTH, RANGE 13 WEST, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO**

Maralex Resources, Inc.
621 17th Street, Suite 1125
Denver, CO 80293

SG Interests III, Ltd.
1331 Lamar Street, No. 501
Houston, TX 77010-3026

Dugan Production Corp.
P.O. Box 402
Farmington, NM 87499

Robert L. Bayless
368 Highway 170
Farmington, NM 87401

Benson-Montin-Greer
Drilling Corporation
4900 College Blvd.
Farmington, NM 87402

T. J. Foster
no known address

Quasar Sciences, Inc.
no known address

Minatome Corporation
no known address

Marcia Berger
c/o Sunwest Bank of
Albuquerque, N. A. Agent
P.O. Box 26900
Albuquerque, NM 87125

WWR Enterprises, Inc.
c/o Sunwest Bank of
Albuquerque, N.A. Agent
P. O. Box 26900
Albuquerque, NM 87125

Herbert R. Briggs
1405 San Pablo
Albuquerque, NM 87110

Herbert R. Briggs
c/o Sunwest Bank of Albuquerque, N.A.
Trust Department-GLA46 Agreement
P.O. Box 26900
Albuquerque, NM 87125-6900

William C. Briggs
Post Office Box 2063
Albuquerque, New Mexico 87103

William C. Briggs
c/o Sunwest Bank of Albuquerque, N.A.
Trust Department-GLA46 Agreement
P.O. Box 26900
Albuquerque, NM 87125-6900

Frank A. Cronican, Jr.
and Peter B. Cronican, Trustees
U/T Frank A. Cronican, Sr.
and Harriett Bates Cronican
Revocable Trust dated 11-19-81
P.O. Box 4201
Albuquerque, NM 87196

Frank A. Cronican, Jr.
and Peter B. Cronican, Trustees
U/T Frank A. Cronican, Sr. and
Harriett Bates Cronican Revocable
Trust Dated 11-19-81
c/o Sunwest Bank of Albuquerque, N.A.
Trust Department-GLA46 Agreement
P.O. Box 26900
Albuquerque, NM 87125-6900

Cyrene L. Inman
no known address

C. Fred Luthy, Jr.
no known address

Roger B. Neilsen
6424 Belton
El Paso, Texas 79912

Roger B. Neilsen
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Albuquerque, NM 87176

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Albuquerque, NM 87108

Carolyn Nielson Sedberry
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Albuquerque, NM 87125

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Boulder, CO 80301-1025

Robert Warren Umbach
George William Umbach
c/o George Foster Hannett, Esq.
P.O. Box 1849
Albuquerque, NM 87103

CASE 1-299:

Application of Redwolf Production, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation in all formations developed on 320-acre spacing in the N/2 including but not limited to the Basin-Fruitland Coal Gas Pool, in all formations developed on 160-acre spacing in the NE/4 including but not limited to the WAW-Fruitland Sand-Pictured Cliffs Pool, and in all formations developed on 40-acre spacing in the NE/4 NE/4 of Section 36 Township 26 North, Range 13 West, N.M.P.M. Said unit is to be dedicated to its Bear Well No. 1 to be drilled at a standard location in the NE/4 NE/4 (Unit A) of said Section 36 to a depth sufficient to test all formations from the surface to the base of the Pictured Cliffs formation. 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 Redwolf Production, Inc. Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 16 miles southwest of Farmington, New Mexico.