

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF BHP PETROLEUM
(AMERICAS) INC. FOR COMPULSORY
POOLING, SAN JUAN COUNTY, NEW
MEXICO.

JUN 12 1991
No. 10345
OIL CONSERVATION DIVISION

APPLICATION

BHP Petroleum (Americas) Inc. hereby makes application for an order pooling all interests ~~from the~~ in the Basin-Fruitland Coal Gas Pool underlying the $W\frac{1}{2}$ of Section 23, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in the $W\frac{1}{2}$ of said Section 23.
2. Applicant has drilled its Gallegos Canyon Unit Well No. 390 in the $SW\frac{1}{4}$ of Section 23, and intends to complete the well in the Basin-Fruitland Coal Gas Pool.
3. Applicant has dedicated the $W\frac{1}{2}$ of Section 23 to the well.
4. Applicant has in good faith sought to join all other mineral or leasehold interest owners in the $W\frac{1}{2}$ of Section 23 for the purposes set forth herein.
5. Although Applicant attempted to obtain voluntary agreements from all mineral or leasehold interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, an interest owner has failed or refused to join in dedicating her acreage. Therefore, Applicant seeks an order pooling all mineral and leasehold interest owners underlying the $W\frac{1}{2}$ of

Section 23, as described above, pursuant to N.M. Stat. Ann. §70-2-17 (1987 Repl.).

6. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.

7. The pooling of all interests underlying the $W\frac{1}{2}$ of Section 23, as described above, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that the Division grant the relief requested above.

Dated: 6/13/91.

Respectfully Submitted,

HINKLE, COX, EATON, COFFIELD &
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