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November 9, 1992

HAND-DELIVERED

*Case 10621*

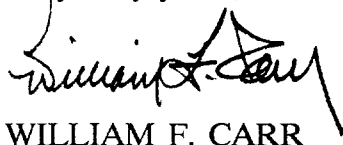
William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Fortson Oil Company for Compulsory  
Pooling, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Fortson Oil Company in the above-referenced case. Fortson Oil Company respectfully request that this matter be placed on the docket for the December 3, 1992 Examiner hearings.

Very truly yours,

  
WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: Mr. Richard Coats

BEFORE THE  
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF FORTSON OIL COMPANY  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

CASE NO. 10601

APPLICATION

FORTSON OIL COMPANY, 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 of the mineral interests in the SW/4 SW/4 of Section 30, Township 19 South, Range 39 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Applicant owns or represents approximately 66.5625% of the working interest in and under the SW/4 SW/4 of Section 30, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Chance No. 1 Well to be drilled at an orthodox location **660 feet from the South and West lines of Section 30**, to a depth of approximately **7,800 feet**, more or less, to test the **Drinkard formation**, East Nadine-Drinkard Pool and Abo formation, East Nadine-Abo Pool, and any other formations developed on 40-acre spacing from the surface to the base of the **Abo formation**.
3. Applicant has sought and has been unable to either to locate or to obtain voluntary agreement for pooling or farmout from all interest owners in the SW/4 SW/4 of said Section 30.

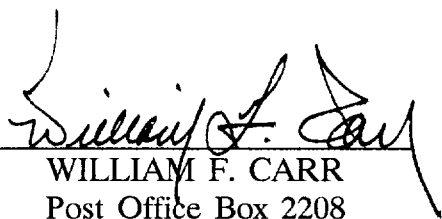
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the 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 the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before an Examiner of the Oil Conservation Division on December 3, 1992 and, after notice and hearing as required by law, the Division enter its order pooling the lands, 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 risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By:   
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