CAMPBELL, CARR, BERGE 8 SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS MICHAEL H. FELDEWERT

JACK M. CAMPBELL OF COUNSEL JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

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November 12, 1992

HAND-DELIVERED

RECEIVED

NOV 1 1 March

QIL CONSERVATION DIVISION

:

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

Page 10624

Re: Applications of Sea Coast, Inc. for Compulsory Pooling, San Juan County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate are four applications for Sea Coast, Inc. for compulsory pooling, San Juan County, New Mexico. Sea Coast requests that these cases be included on the docket for the December 3, 1992 Examiner hearings.

Your attention to this request is appreciated.

Very truly yours,

WILLIAM F. CARR ATTORNEY FOR SEA COAST, INC. WFC:mlh Enclosures cc w/enclosures: Mr. Mike Briggs

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

RECEIVED

IN THE MATTER OF THE APPLICATION OF SEA COAST, INC. FOR COMPULSORY POOLING, SAN JUAN COUNTY, NEW MEXICO. NOV 1 2 1000

OIL CONSERVATION DIVISION

CASE NO. 1062 √

APPLICATION

SEA COAST, INC., by its undersigned attorneys, pursuant to the provisions of N.M.Stat.Ann. § 70-2-17 (1978), hereby makes application for an order pooling all of the mineral interests in the S/2 of Section 6, for all formations developed on 320-acre spacing and in the SW/4 of Section 6 for all formations developed on 160-acre spacing in Township 29 North, Range 12 West, N.M.P.M., San Juan County, New Mexico, from the surface to the base of the Pictured Cliffs formation, and in support thereof would show the Division:

1. Applicant owns or represents 50% of the working interest in and under the S/2 of Section 6, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at a standard location in the SW/4 of Section 6 to a depth sufficient to test the Fruitland formation, Basin-Fruitland Coal (Gas) Pool and the Pictured Cliffs formation, Fulcher Kutz-Pictured Cliffs Gas Pool.

3. Applicant has sought and has been unable to obtain either voluntary agreement for pooling or farmout from all other interest owners in the S/2 of said Section

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

5. Applicant requests that Marlex Resources, Inc. be designated operator of this well and pooled unit.

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

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed 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, and making such other and further provisions as may be proper.

Respectfully submitted,

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

By: u

WILLIAM F. CARR Post Office Box 2208 Santa Fe, New Mexico 87504 Telephone: (505) 988-4421

ATTORNEYS FOR SEA COAST, INC.

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APPLICATION Page 2

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

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PATRICIA A. MATTHEWS MICHAEL H. FELDEWERT

JACK M. CAMPBELL OF COUNSEL JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

November 10, 1992

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HAND-DELIVERED

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

RECEIVED NOV 1 1 1000 Case 10622

OIL CONSERVATION DIVISION

Re: Applications of Sea Coast, Inc. for Compulsory Pooling, San Juan County, New Mexico

Dear Mr. LeMay:

Enclosed are legal advertisements for four applications of Sea Coast, Inc. for compulsory pooling, San Juan County, New Mexico. Sea Coast requests that these cases be included on the docket for the December 3, 1992 Examiner hearings.

Your attention to this request is appreciated.

Very truly yours,

WILLIAM F. CARR ' ATTORNEY FOR SEA COAST, INC. WFC:mlh Enclosures cc w/enclosures: Robert G. Stovall, Esq. General Counsel CASE ____: Application of Sea Coast, 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 the S/2 of Section 6, for all formations developed on 320-acre spacing and in the SW/4 of Section 6 for all formations developed on 160-acre spacing in Township 29 North, Range 12 West, N.M.P.M., San Juan County, New Mexico. Said unit is to be dedicated to a well at a standard location in the SW/4 of said Section 6 to be drilled to a depth sufficient to test the Fruitland formation, Basin-Fruitland Coal (Gas) Pool and the Pictured Cliffs formation, Fulcher Kutz-Pictured Cliffs Gas Pool. Also to be considered will be the cost of drilling and completing said well, and the allocation of the costs thereof as well as actual operating costs and charges for supervision, and a charge for risk involved in drilling said well. Applicant will request that Marlex Resources, Inc. be designated operator of this well. Said unit is located approximately ____ miles east of Farmington, New Mexico.