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

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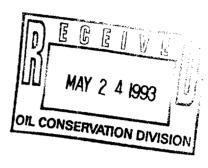
SANTA FE, NEW MEXICO 87504-2208

TELEPHONE: (505) 988-4421
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May 24, 1993

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



10740

Re: Application of Enron Oil and Gas Company for Compulsory Pooling, Lea

County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Enron Oil and Gas Company in the above-referenced case as well as a copy of a legal advertisement. Enron Oil and Gas Company respectfully requests that this matter be placed on the docket for the June 17, 1993 Examiner hearings.

Very truly yours,

WILLIAM F. CARR

WFC:mlh Enclosures

cc: Mr

Mr. Patrick J. Tower (w/enclosure)

Project Landman

Enron Oil & Gas Company

Post Office Box 2267

Midland, Texas 79702

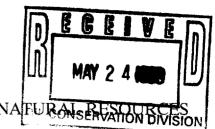
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CASE _:

Application of Enron Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the SW/4 SW/4 of Section 31, Township 22 South, Range 32 East. Said unit is to be dedicated to its Silverton 31 Federal No. 1 Well to be drilled at a standard location in the SW/4 SW/4 of said Section 31. 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately ____ miles ____ of ____, New Mexico.

BEFORE THE

OIL CONSERVATION DIVISION



NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NAFURALS

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

CASE NO. 10740

APPLICATION

Enron Oil and Gas 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 31, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

- 1. Applicant owns or represents over 50% of the working interest in the SW/4 SW/4 of Section 31, and Applicant has the right to drill thereon.
- 2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Silverton 31 Federal No. 1 Well to be drilled at a standard location 660 feet from the South and West lines of Section 31, to a depth of approximately 8450 feet, more or less, to test any and all formations from the surface to the base of the Delaware formation.
- 3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the SW/4 SW/4 of said Section 31.
- 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, all 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 June 17, 1993 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.

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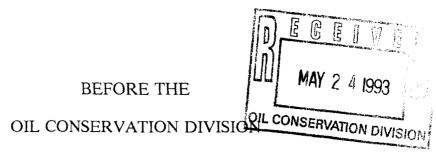
Post Office Box 2208

Santa Fe, New Mexico 87504

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ATTORNEYS FOR ENRON OIL AND GAS COMPANY

APPLICATION, PAGE 2



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