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August 26, 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

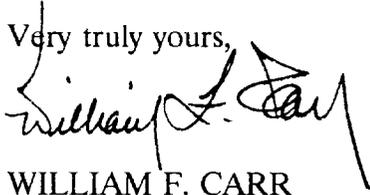
*Case 10827*

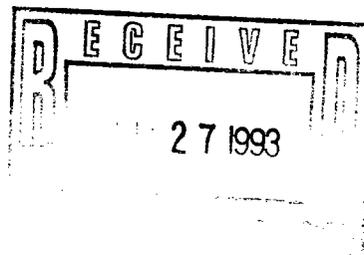
Re: Application of Enron Oil & Gas Company for Compulsory Pooling and an  
Unorthodox Gas Well Location, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Enron Oil & Gas Company in the above-referenced case as well as a copy of a legal advertisement. Enron Oil & Gas Company respectfully requests that this matter be placed on the docket for the September 23, 1993 Examiner hearings.

Very truly yours,

  
WILLIAM F. CARR



WFC:djp  
Enclosures

cc: Mr. Patrick J. Tower  
Post Office Box 2267  
Midland, Texas 79702

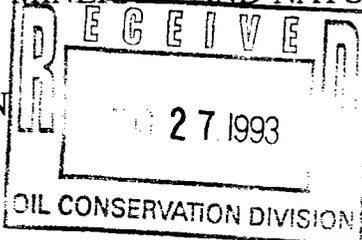
W. Thomas Kellahin, Esq.

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF ENRON OIL & GAS COMPANY FOR  
COMPULSORY POOLING AND AN  
UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.



CASE NO. 10827

**APPLICATION**

Enron Oil & 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 S/2 of Section 35, Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

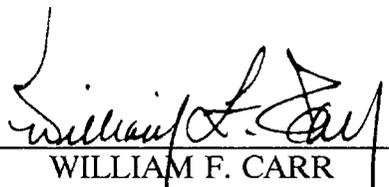
1. Applicant owns or represents over 75% of the working interest in the S/2 of Section 30, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Cedar Lake 35 Federal Com No. 2 to be drilled at an unorthodox location 990 feet from the South and East line of Section 35, to a depth of approximately 11,600 feet, more or less, to test any and all formations developed on 320-acre spacing from the surface to the base of the Morrow formation, Cedar Lake-Morrow Gas Pool.
3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the S/2 of said Section 35.
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 September 23, 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.

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

ATTORNEYS FOR ENRON OIL & GAS  
COMPANY

CASE 10827

Application of Enron Oil & Gas Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 35, Township 17 South, Range 30 East. Said unit is to be dedicated to the Cedar Lake 35 Federal Com No. 2 Well to be drilled at an unorthodox location 990 feet from the South and East lines of said Section 35. 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.

EG