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VIA FEDERAL EXPRESS

Ms. Florene Davidson New Mexico Oil Conservation Division 310 Old Santa Fe Trail Room 206 Santa Fe, New Mexico 87501 KECEIVID

DEC 1 2 1990

OIL CONSERVATION DIV. SANTA FE

10212

Dear Florene:

Enclosed for filing are an original and two copies of each of the following Applications:

- Α. For Santa Fe Energy:
 - 1. Application for Compulsory Pooling (Sty Section 17-24 South-25 East).
 - 2. Application for Unorthodox Oil Well Location (S\subsection 5-18 South-33 East).
 - 3. Application for Compulsory Pooling (W*NW* Section 8-18 South-33 East).
- В. For Mewbourne Oil Company:
 - 1. Application for Compulsory Pooling (E Section 29-20 South-27 East).
 - 2. Application for Unorthodox Gas Well Location (N/2 Section 14-17 South-26 East).

Ms. Florene Davidson December 11, 1990 Page 2

- C. For The Petroleum Corporation of Delaware:
 - 1. Application for Compulsory Pooling ($N^{\frac{1}{2}}$ Section 1-20 South-29 East).

Please set these cases for the January 10, 1991 Examiner Hearing. Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &

HENSLEY

JB:le Enclosures By: /James Bruce



BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION [C 1 2 199]

OIL CUNSERVATION DIV.

APPLICATION OF SANTA FE ENERGY OPERATING PARTNERS, L.P. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

No. 16212

APPLICATION

Santa Fe Energy Operating Partners, L.P. hereby makes application for an order pooling all interests from the surface to the base of the Morrow formation underlying the S^{1}_{2} of Section 17, Township 24 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

- 1. Applicant is an interest owner and has the right to drill a well in the $S^{\frac{1}{2}}$ of said Section 17.
- 2. Applicant proposes to drill its Lambchop 17 Fed. Comm. Well No. 1 in the $S^{\frac{1}{2}}$ of Section 17, at an orthodox location 1980 feet from the West line and 660 feet from the South line of the Section, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:
- (a) The $S^{\frac{1}{2}}$ of Section 17 for all pools or formations spaced on 320 acres;
- (b) The SW_4^1 of Section 17 for all pools or formations spaced on 160 acres;
- (c) The $E_2^1SW_4^1$ of Section 17 for all pools or formations spaced on 80 acres; and
- (d) The $SE_4^1SW_4^1$ of Section 17 for all pools or formations spaced on 40 acres.

- 3. Applicant has in good faith sought to join all other mineral or leasehold interest owners in the S^1_{2} of Section 17 for the purposes set forth herein.
- 4. 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, certain interest owners have failed or refused to join in dedicating their acreage. Therefore, Applicant seeks an order pooling all mineral and leasehold interest owners underlying the S_2^{1} of Section 17, as described above, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).
- 5. 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.
- 6. The pooling of all interests underlying the $S^{\frac{1}{2}}$ of Section 17, as described above, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. Applicant requests that this matter be heard at the January 10, 1991 Examiner hearing.

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

Dated: 12/11/9)

Respectfully Submitted,

HINKLE, COX, EATON, COFFIELD & HENSLEY

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