STATE OF NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS OIL CONSERVATION DIVISION

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

APR 5 1984

CASE: 8/70

APPLICATION

Comes now Pennzoil Company, and applies to the Oil Conservation Division of New Mexico for an order pooling all mineral interests from the surface to 11,500 or base of the Strawn, whichever is lower, underlying the N/2SE/4 of Section 20, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico, for the formation of a proration and spacing unit for the said production and in support thereof would show the Commission:

- 1. Applicant is an owner of the right to drill and develop the N/2SE/4 of Section 20, Township 16 South, Range 37 East, NMPM.
- 2. Applicant proposes to drill a well at a standard location and to dedicate the N/2SE/4 of said Section to the well.
- 3. Applicant has sought to obtain the cooperation of all parties.

- 4. In order to obtain their just and equitable share of the production underlying the above lands, Applicant needs an order pooling the mineral interest involved.
- 5. Those who have not consented to join in the drilling of the well, with their addresses, to the best of applicant's information and belief, are as follows:
- 1. Getty Oil Company
 Box 1231
 Midland, Texas 79702
 - Attn: Mr. R. K. Munn
- 2. Felmont Oil Corporation
 Box 2266
 Midland, Texas 79702
 - Attn: Mr. Frank D. McCave
- Amerind Oil Company
 500 Wilco Building
 Midland, Texas 79701
- 6. The parties named in paragraph 5 above have been furnished a copy of this application.

WHEREFORE applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described herein. Applicant further prays that it be named operator of the well, and that the order make provision for applicant to recover out of production its

costs of drilling the subject well, completing and equipping it, costs of operation, including costs of supervision and a risk factor in the amount of 200% for the drilling of the well, for such other and further relief as may be proper.

Respectfully submitted,

PENNZOIL COMPAN

W. Thomas Kellahin KELLAHIN & KELLAHIN

Post Office Box 2265

Santa Fe, New Mexico 87501

Attorneys for Applicant