

STATE OF NEW MEXICO
DEPARTMENT OF NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF J. M. HUBER CORPORATION FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO

Case No. 8401

APPLICATION

COMES NOW J. M. Huber Corporation and hereby makes application for compulsory pooling of all mineral interests from the surface to the base of the Wolfcamp Formation underlying the S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 32, Township 12 South, Range 36 East, Lea County, New Mexico containing 80 acres, more or less, and as grounds therefor states:

1. Applicant has made diligent efforts to form a proration unit comprised of the S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 32, Township 12 South, Range 36 East, for the drilling of a well to be located at an unorthodox location, 1,326 feet from the West line and 669 feet from the South line of Section 32, which Applicant has the right to drill, but there remain non-consenting working interest and royalty owners in the proration unit who have not agreed to the pooling of their interests.

2. That to avoid the drilling of unnecessary wells to protect correlative rights and to afford the owner of each interest in said proration unit the opportunity to recover or receive without unnecessary expense his just and fair share of the oil, gas and associated hydrocarbons producible from the surface to the base of the Wolfcamp Formation, this regulatory body should approve the pooling of all mineral interest, whatever they may be, within said unit. Applicant proposes to dedicate the proration unit comprising the S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 32, Township 12 South, Range 36 East, containing 80 acres to the well located thereon.

3. Applicant seeks permission to withhold the proceeds from production attributable to each non-consenting working interest until such time as each interest's share of the cost of said well has been recovered plus 200% thereof as a charge for the risk involved in the drilling of the well.

4. That after due public notice, this regulatory body should enter its order granting compulsory pooling in accordance with this Application, fixing a charge for risk, fixing a per month cost for operating the well, and granting to each non-consenting working interest owner the privilege to join in the payment of drilling the well in accordance with law. That such order should further provide that Applicant be appointed as operator of the well.

Respectfully submitted,

J. M. HUBER CORPORATION

By


James T. Jennings

For JENNINGS & CHRISTY

Post Office Box 1180

Roswell, New Mexico 88202-1180

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