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March 4, 1985

RECEIVED

1985

March 1, 1985

OIL CONSERVATION DIVISION

Mr. Richard Stamets
Director
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 88201

Case 5534

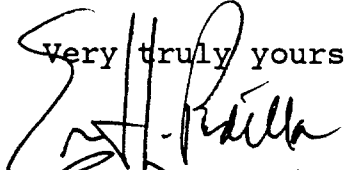
Re: SE/4 Sec. 4, T-25N, R-1E,
Rio Arriba County, New Mexico

Dear Mr. Stamets:

Enclosed in triplicate is an Application for Compulsory Pooling.

Please set this for hearing on March 27, 1985.

Thank you.

Very truly yours,

Ernest L. Padilla

ELP/ld
Encl.

Hand Deliver
on Monday

Case 5534

BEFORE THE OIL CONSERVATION DIVISION
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF A. M. KALAF AND GEORGE KALAF FOR
COMPULSORY POOLING, RIO ARRIBA COUNTY,
NEW MEXICO

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OIL CONSERVATION DIVISION

APPLICATION

Applicants, A. M. Kalaf and George Kalaf, by and through their undersigned attorney, and in support of this application allege and state as follows:

1. That Applicants are operators and owners within the meaning of Section 70-2-17(c), N.M.S.A., 1978 Compilation, and as such seek to force-pool all of the oil and gas mineral interests within the East Puerto Chiquito Mancos Pool underlying the SE/4 of Section 4, Township 25 North, Range 1 East, N.M.P.M., Rio Arriba County, New Mexico.

2. That Applicants propose to drill a well at a standard location on said lands to a depth sufficient to test the East Puerto Chiquito Mancos field.

3. That the Applicants will dedicate said lands to the well and desire to be designated as the operator.

4. That there are working interest owners in the proposed proration unit who have not consented to drill the proposed well.

5. That any non-consenting working interest owner that does not pay its share of estimated well costs should have withheld from production its share of the reasonable well costs, plus an additional 200% thereof as a reasonable charge for the risk involved in the drilling of the well.

6. That Applicants should be authorized to withhold from production a reasonable supervision charge, attributable to each non-consenting working interest owner's proportionate share, during the completion and production stages of the well.

7. That to avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in the proposed proration unit the opportunity to recover or receive without unnecessary expense its just

and fair share of the hydrocarbons in the unit, said lands should be pooled as proposed herein.

WHEREFORE, Applicants respectfully request:

1. That this application be set for hearing before an examiner of the Division on March 27, 1985, and that notice of said hearing be given as required by law.

2. That upon hearing the Division enter its order pooling all oil and gas mineral interests within the East Puerto Chiquito Mancos Pool underlying SE/4 of Section 4, Township 25 North, Range 1 East, N.M.P.M., Rio Arriba County, New Mexico.

3. And for such other relief as the Division may deem appropriate in the premises.

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