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March 6, 1985

Case 8558

HAND DELIVERED

RECEIVED

MAR 6 1985

R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

OIL CONSERVATION DIVISION

Re: Application of HNG Oil Company for Compulsory Pooling,
Eddy County, New Mexico.

Dear Mr. Stamets:

Enclosed in triplicate is the Application of HNG Oil Company in the above-referenced case. HNG Oil Company respectfully requests that this matter be included on the docket for the April 10, 1985 examiner hearings.

Your attention to this request is appreciated.

Very truly yours,

William F. Carr
William F. Carr

WFC/cv
enclosures

cc: Mr. Craig Duke

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

RECEIVED
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OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF HNG OIL COMPANY FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

Case 8558

APPLICATION

Comes now, HNG OIL COMPANY, by and through its undersigned attorneys and, as provided by Section 70-2-17, N.M.S.A. (1978), hereby makes application for an order pooling all of the mineral interests in the Pennsylvanian formation, in and under the W/2 of Section 18, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

1. Applicant owns 75% of the working interest in and under the W/2 of said Section 18, and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location 1980 feet from the North line and 660 feet from the West line of said Section 18.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the W/2 of said Section 18, except for Texaco, Inc., 500 N. Lorraine, Midland, Texas (Attention: Benny Tidwell), owner of a 25% working interest.

4. Said pooling of interests and well completion will avoid

the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

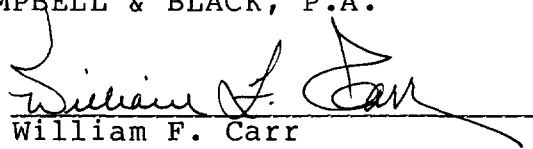
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on April 10, 1985, and that 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, approving the location of the well as proposed by applicant, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By


William F. Carr

Post Office Box 2208

Santa Fe, New Mexico 87501

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ATTORNEYS FOR HNG OIL COMPANY