

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

IN THE MATTER OF THE APPLICATION
OF CHAMA PETROLEUM COMPANY FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

Case 8703

APPLICATION

Comes now, CHAMA PETROLEUM COMPANY, by and through its undersigned attorneys and, as provided by Section 70-2-17, NMSA 1978, hereby makes application for an order pooling all mineral interests from the surface to the base of the Glorieta Yeso formation underlying the NW/4 SE/4 of Section 4, Township 19 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 83.3% of the working interest in and under the NW/4 SE/4 of Section 4, Township 19 South, Range 26 East, 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 1,980 feet from the South and East lines of said Section 4.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the NW/4 SE/4 of said Section 4, except for the following:

(1) F. H. Mills, Jr. and
Laverne Mills
P. O. Box 465
Midland, Texas 79702

4.1% MI

- (2) Jack L. Russell and
Elizabeth Russell
P. O. Box 1604
Midland, Texas 79702 8.3% MI
- (3) Ralph L. Way
Barbara Way
2100 North "L" Street
Midland, Texas 79702 4.1% MI

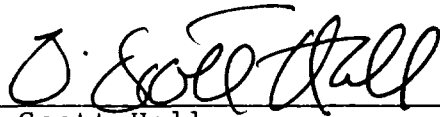
4. Said pooling of interests and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

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 as 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 September 11, 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 

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ATTORNEYS FOR CHAMA PETROLEUM
COMPANY