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ARTESIA, NEW MEXICO 88211-0239

AREA CODE 505

746-3508

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JOEL M. CARSON

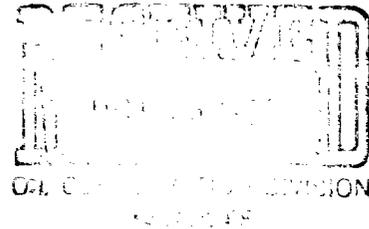
ELIZABETH LOSEE

JAMES E. HAAS*

ERNEST L. CARROLL

*LICENSED IN TEXAS ONLY

24 October 1985



VIA EXPRESS MAIL

Mr. Richard Stamets, Director
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

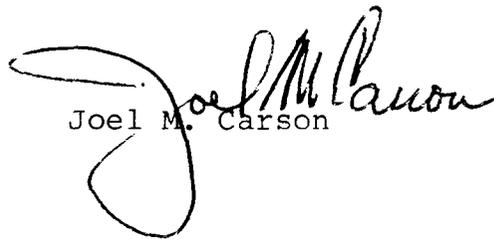
Dear Mr. Stamets:

Enclosed for filing, please find three copies of an application of Amerada Hess Corporation for compulsory pooling and unorthodox location, Lea County, New Mexico. Also enclosed is an affidavit of mailing reflecting the mailing of a copy to the last known addresses of the non-consenting interest owners.

We ask that this matter be set for hearing before an examiner on the November 6, 1985 docket and that we be furnished with a copy of the docket. Thank you.

Yours truly,

LOSEE & CARSON, P.A.


Joel M. Carson

JMC:jcb
Enclosures

cc w/enclosure: Mr. Greg Morton

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
AMERADA HESS CORPORATION FOR :
COMPULSORY POOLING AND UNORTHODOX : CASE NO. 5731
LOCATION, LEA COUNTY, NEW MEXICO :
_____ :

APPLICATION

COMES NOW AMERADA HESS CORPORATION, by its attorneys, Losee & Carson, P.A., and in support hereof, respectfully states:

1. Applicant has the right to drill its Homestake Royalty No. 1-10 Well as an oil well, to a depth sufficient to test the Atoka formation, which is to be located at a point 1,700 feet from the South line and 2,300 feet from the East line of Section 10, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

2. The applicant seeks an exception to the well location requirements of Rule 104-C.2(a) of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test from the top of the Wolfcamp through the Atoka formation.

3. The proposed well is located within one mile of the Northeast Lovington-Pennsylvanian Pool and applicant proposes to dedicate the N/2 SE/4 of said section to this well. There are interest owners in the proration unit who have not agreed to pool

their interests. The parties who have not agreed to pool their interests, and their addresses are set out in Exhibit "A" attached hereto.

4. Applicant should be designated the operator of the well and the proration unit.

5. To avoid the drilling of unnecessary wells and the augmentation of risk arising from an excessive number of wells,, to protect correlative rights and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense, his just and fair share of the oil in said unit, all mineral interests, whatever they may be, from the top of the Wolfcamp Wolfcamp through the Atoka formations underlying the N/2 SE/4 of said Section 10, should be pooled.

6. That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his 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.

7. Applicant should be authorized to withhold from production the proportionate share of a reasonable supervision charge for drilling and producing wells attributable to each non-consenting working interest owner.

WHEREFORE, applicant prays:

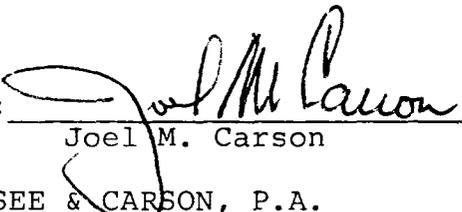
A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order granting applicant permission to drill its Homestake Royalty No. 1-10 Well at a point 1,700 feet from the South line and 2,300 feet from the East line of said Section 10, and to dedicate the N/2 SE/4 of Section 10, which is reasonably presumed to be productive of oil from the top of the Wolfcamp through the Atoka formation, to said well.

C. That upon hearing the Division enter its order pooling all mineral interests, whatever they may be, from the top of the Wolfcamp through the Atoka formations underlying the N/2 SE/4 of said Section 10, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico, to form an 80-acre spacing unit dedicated to applicant's well.

C. And for such other relief as may be just in the premises.

AMERADA HESS CORPORATION

By: 

Joel M. Carson

LOSEE & CARSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant

EXHIBIT "A"

Lillian L. Koslosky
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Lovington, New Mexico 88260

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Mary Jean Corbin
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John F. Stafford
5532 Ludlow Avenue
Garden Grove, CA 92641

The Heirs and Devisees of
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William B. Stafford
8321 Ridglea Avenue
Buena Park, CA 90620 and
John Stafford
5532 Ludlow Avenue
Garden Grove, CA 92641 and
Harold Stafford,
No known address

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Kelly and David H. Loeffler,
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Roy Norris
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Gary Hovey and Helen Hovey
No known address