



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

Appil 15, 1936

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
Attorneys at Law
Post Office Box 2068
Santa Fe, New Mexico

Re: CASE NO. 8828
ORDER NO. R-8202

Applicant:

The Petroleum Corporation of Delaware

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

B. L. Hunt

R. L. STAMETS
Director

RLS / fd

Copy of order also sent to:

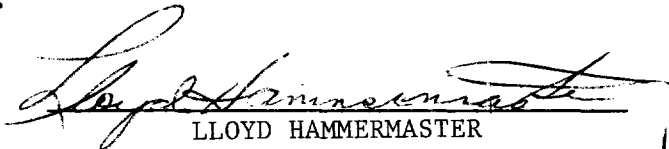
Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

Other _____

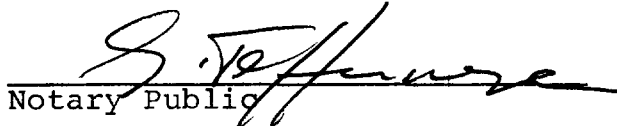
COUNTY OF VANCOUVER)
) ss.
PROVINCE OF BRITISH COLUMBIA)

CERTIFICATE OF SERVICE

I hereby certify that on the 11th day of March, 1986, I personally served a copy of the letter attached to this Certificate to Mr. Fred Davidson, an employee of Nu-Energy Oil & Gas, Inc., 171 West Esplanade Street, Suite 500, North Vancouver, British Columbia.


LLOYD HAMMERMASTER

SUBSCRIBED AND SWORN TO before me this 17th day of March, 1986, by LLOYD HAMMERMASTER.


Notary Public

My Commission Expires:

n/a

HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX
PAUL W. EATON
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MACDONNELL GORDON
REBECCA J. NICHOLS
PAUL R. NEWTON
WILLIAM R. JOHNSON*

OF COUNSEL
ROY C. SNODGRASS, JR.
O. M. CALHOUN
MACK EASLEY
JOE W. WOOD

CLARENCE E. HINKLE (1901-1965)
W. E. BONDURANT, JR. (1913-1973)
ROBERT A. STONE (1905-1981)

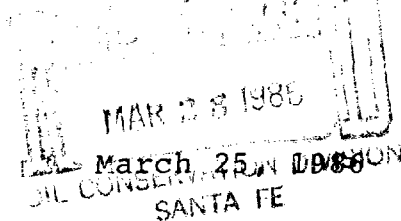
ATTORNEYS AT LAW

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(505) 622-6510

*NOT LICENSED IN NEW MEXICO

Mr. Michael Stogner
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Re: Three Applications of the Petroleum
Corporation of Delaware for Compulsory
Pooling:
Case No. 8819 (SE $\frac{1}{4}$ SW $\frac{1}{4}$ S 12);
Case No. 8827 (NE $\frac{1}{4}$ SW $\frac{1}{4}$ S 12);
Case No. 8828 (SW $\frac{1}{4}$ NW $\frac{1}{4}$ S 12);
All in Township 26 South, Range 29
East, N.M.P.M., Eddy County, New Mexico

Dear Mr. Stogner:

The above cases were heard on February 19, 1986. The sole force-pooler is Nu-Energy Oil & Gas, Inc. of Vancouver, British Columbia, Canada. Although various notices were sent to Nu-Energy, apparently none were ever sent by certified mail. Therefore, I wrote a letter dated March 4, 1986, notifying Nu-Energy of the February 19 hearings, and requesting Nu-Energy to notify the OCD of any objections it had to the compulsory pooling hearings. This letter was hand delivered to Nu-Energy on March 11, 1986, as evidenced by the original Certificate of Service and invoice enclosed herewith.

If Nu-Energy has not voiced any objection to the above cases by now, we respectfully request that the OCD enter its orders in the above cases.

Please call me if you have any questions.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


James Bruce

JGB:jr
Enclosures

HINKLE, COX, EATON, COFFIELD & HENSLEY

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JEFFREY L. FORNACIARI

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W. E. BONDURANT, JR. (1913-1973)
ROBERT A. STONE (1905-1981)

*NOT LICENSED IN NEW MEXICO

March 4, 1986

Mr. Fred Davidson
Nu-Energy Oil & Gas, Inc.
171 West Esplanade Street, Suite 500
North Vancouver
British Columbia, Canada V7M 1A1

Re: Three applications of The Petroleum
Corporation of Delaware for compulsory
pooling, Eddy County, New Mexico, U.S.A.

Dear Mr. Davidson:

The records of The Petroleum Corporation of Delaware indicate that Nu-Energy Oil & Gas, Inc. owns an undivided 2.5% oil and gas leasehold interest in the following described property:

the SE $\frac{1}{4}$ SW $\frac{1}{4}$ § 12;
the NE $\frac{1}{4}$ SW $\frac{1}{4}$ § 12; and
the SW $\frac{1}{4}$ NW $\frac{1}{4}$ § 12;

All in Township 26 South, Range 29 East,
N.M.P.M., Eddy County, New Mexico, U.S.A.

During the past several months Mr. Fred Ward of The Petroleum Corporation of Delaware has been in contact with you regarding committing these interests to the drilling of oil wells on the described land. However, Nu-Energy has refused to commit its interests.

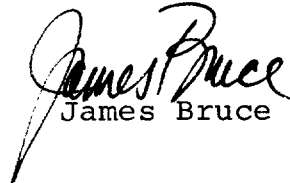
As a result, The Petroleum Corporation of Delaware filed three applications for compulsory pooling with the New Mexico Oil Conservation Division. Copies of these applications are enclosed. These cases were consolidated for hearing and were heard on February 19, 1986, as indicated by my letter of January 30, 1986, (copy enclosed), a copy of which was sent to you.

Mr. Fred Davidson
March 4, 1986
Page 2

Please notify the New Mexico Oil Conservation Division (Attention: Mr. Michael Stogner), P. O. Box 2088, Santa Fe, New Mexico 87501 U.S.A. of any objections you may have regarding the hearings on these three applications. Please make your objections in writing within 10 days of receiving this letter.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY



James Bruce

JGB:jr
Enclosures

cc: Mr. Fred Ward, w/o enc.
Jeffrey D. Hewett w/o enc.

CC: LS
MS
BS

HINKLE, COX, EATON, COFFIELD & HENSLEY

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January 30, 1986

OF COUNSEL
ROY C. SNODGRASS, JR.
O. M. CALHOUN
MACK EASLEY

CLARENCE E. HINKLE (1904-1985)
W. E. BONOURANT, JR. (1843-1973)
ROBERT A. STONE (1905-1984)

*NOT LICENSED IN NEW MEXICO

R. L. Stamets, Director
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

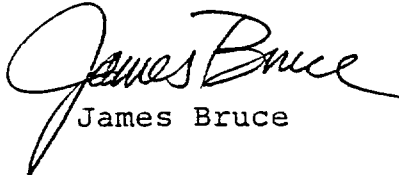
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Case No. 8819, SE $\frac{1}{4}$ SW $\frac{1}{4}$ § 12;
Case No. 8827, NE $\frac{1}{4}$ SW $\frac{1}{4}$ § 12;
Case No. 8828, SW $\frac{1}{4}$ NW $\frac{1}{4}$ § 12;
All in Township 26 South, Range
29 East, N.M.P.M., Eddy County,
New Mexico.

Dear Mr. Stamets:

Case No. 8819 is set for the Examiner hearing on February 5, 1986. The Petroleum Corporation of Delaware hereby requests that Case No. 8819 be continued to the February 19, 1986 Examiner hearing. The Applicant also requests that all three cases be consolidated for hearing on February 19, 1986 due to the similarity in geological and land testimony which will be presented for the cases.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


James Bruce

JGB:jr

cc: Mr. Fred Davidson, Nu-Energy Oil & Gas, Inc. (Cert. Mail)
Mr. Fred Ward, The Petroleum Corporation of Delaware
Jeffrey D. Hewett, Esq.

FEB 05 1986

V.I.P. Security Agencies Inc.

CENTRAL INVESTIGATION SERVICES

STE. 200 - 640 W. BROADWAY, VANCOUVER, B.C. V5Z 1G4 874-9111

HINKLE, COX, EATON, COFFIELD & HENSLEY

DATE: March 14, 1986

218 Montezuma

NO: 0830 / 0347

Post Office Box 2068, Santa Fe, New Mexico

ATTN.: James Bruce

RE: Mr. Fred Davidson/Service

INSTRUCTIONS:

Serve original letter with attachments

PARTICULARS OF SERVICE:

ON: MR. FRED DAVIDSON

AT: #500 - 171 West Esplanade, North Vancouver, B.C. Nu-Energy Oil & Gas

ON: Tuesday, March 11, 1986

AT: 11:30 a.m.

25 kms x \$.40/km

SERVICE FEE: \$12.00

AFFIDAVIT FEE:

MILEAGE FEE: \$10.00

FILING FEE:

LOCATE FEE:

TOTAL: \$22.00

BEFORE THE OIL CONSERVATION DIVISION
OF THE ENERGY AND MINERALS DEPARTMENT

STATE OF NEW MEXICO

APPLICATION OF THE PETROLEUM)
CORPORATION OF DELAWARE FOR)
COMPULSORY POOLING, EDDY COUNTY,)
NEW MEXICO)

* 8828

APPLICATION

The Petroleum Corporation of Delaware, by its undersigned attorneys, hereby makes application for an Order pooling all interests underlying the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 12, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico for all depths from 3,500 feet beneath the surface of the earth down to 5,600 feet beneath the surface of the earth, and in support thereof would show:

1. Applicant is entitled to proceed with the drilling of a well located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 12, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, under the authority of Applicant's ownership of an oil and gas leasehold interest therein.

2. Applicant intends to drill its well at a legal location in said SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 12, to a depth of 5,500 feet to test the Cherry Canyon Formation. Applicant has requested the party listed on the attached schedule as owner of an undivided interest to agree to participate in the drilling of said well or to farmout or otherwise commit their interest to said well, but the party so far has refused to do so.

3. Applicant seeks that the Division consider the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charge for supervision, designation of Applicant as operator of the well, and a charge for risk involved in drilling said well.

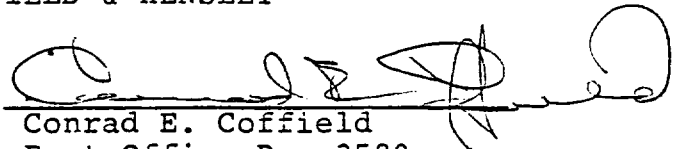
4. The pooling of all interests in SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 12, for all depths from 3,500 feet beneath the surface of the earth down to 5,600 feet beneath the surface of the earth, is in the interest of conservation and will prevent waste and protect correlative rights.

5. Applicant respectfully requests the setting of this matter before an Examiner at the first available hearing.

Dated this 14th day of January 1986.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By:

A handwritten signature in dark ink, appearing to read 'Conrad E. Coffield', written over a horizontal line.

Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702

Attorneys for The Petroleum
Corporation of Delaware

SCHEDULE

UNCOMMITTED RECORD TITLE OWNER

Township 26 South, Range 29 East, N.M.P.M.
Eddy County, New Mexico

Section 12: SW $\frac{1}{4}$ NW $\frac{1}{4}$

<u>Name and Address</u>	<u>Percentage of Record Title Interest</u>
Nu-Energy Oil & Gas, Inc. 171 West Esplanade Street, Suite 500 North Vancouver British Columbia V7M 1A1	
Attention: Mr. Fred Davidson	2.5%