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Santa Fe, New Mexico 87504-2265 OIL CONSERVATION DIVISION

JUL 27 1986 Telephone 982-4285
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Jason Kellahin
W. Thomas Kellahin
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July 28, 1986

Mr. Richard L. Stamets
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

"Hand Delivered"

Re: Foran Oil Company
Forced Pooling Application
S/2SW/4 Section 6, T16S, R37E, NMPM
Lea County, New Mexico

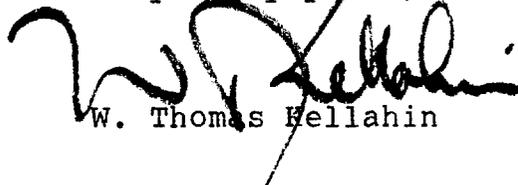
Case 8978

Dear Mr. Stamets:

On behalf of Foran Oil Company, please set the enclosed application for hearing at the Examiner Hearing now scheduled for August 20, 1986.

By copy of this letter we are sending a copy of the application by certified mail return receipt to Texaco Inc., USA, the party to be pooled. Texaco is hereby advised that they have the right to appear at the hearing either in support or opposition to the application.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: Joe Foran
8340 Meadow Road, Suite 158
Dallas, Texas 75231

"Certified Return-Receipt Requested"

Texaco Inc., USA
P. O. Box 3109
Midland, Texas 79702
Attn: Curtis D. Smith

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

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JUL 27 1960

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF FORAN OIL COMPANY, OR IN THE
ALTERNATIVE, ESTORIAL PRODUCING
CORPORATION, FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

CASE: 8978

A P P L I C A T I O N

Comes now FORAN OIL COMPANY, and applies to the Oil Conservation Division of New Mexico for an order pooling all mineral interests from the surface to the base of the Northeast Lovington-Pennsylvanian Pool underlying the S/2SW/4 of Section 6, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico, for the formation of a proration and spacing unit for the said production, and in support thereof would show the Commission.

1. Applicant is an owner of the right to drill and develop the S/2SW/4 of Section 6, Township 16 South, Range 37 East.

2. Applicant proposes to drill a well to test the Strawn formation by drilling a well at a standard location to a total depth of approximately 11,700 feet.

3. Applicant has sought to obtain the cooperation of all parties.

4. In order to obtain their just and equitable share of the production underlying the above lands, Applicant needs an order pooling the mineral interest involved.

5. Those who have not consented to join in the drilling of the well, with their address, to the best of the applicant's information and belief, are as follows:

Interest

Texaco Inc., USA	25%
P. O. Box 3109	
Midland, Texas 79702	

Attn: Curtis D. Smith

6. The party named in paragraph 5 above has been furnished a copy of this application.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described herein. Applicant further prays that it be named operator of the well, and that the order make provisions for applicant to recover out of production its costs of drilling the subject well, completing and equipping it, costs of operation, including costs of supervision and a risk factor in the amount of 200% for the drilling of the well, for such other and further relief as may be proper.

Respectfully submitted,

Foran Oil Company

By



W. Thomas Kellahin
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