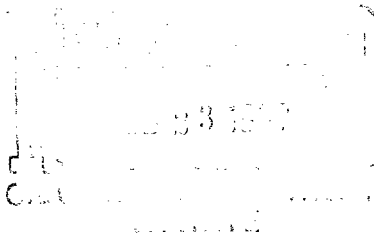


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February 19, 1987

Bill Lemay, Director
New Mexico Oil Conservation Division
New Mexico State Land Office Bldg.
Santa Fe, New Mexico 87501

Case 9089

Re: Application of David Petroleum Corporation for Compulsory
Pooling and Unorthodox Well Location, Lea County, New
Mexico

Dear Mr. Lemay:

Enclosed is the Application of David Petroleum Corporation
on the above matter.

Please set this matter on the docket for the March 4, 1987
examiner hearing.

Very truly yours,

John H Bemis fw/
J. Scott Hall

JSH/dmg

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

IN THE MATTER OF THE APPLICATION OF
DAVID PETROLEUM CORPORATION FOR
COMPULSORY POOLING AND UNORTHODOX
WELL LOCATION, LEA COUNTY,
NEW MEXICO.

Case 9089

APPLICATION

David Petroleum Corporation, by and through its undersigned attorneys, and as provided Section 70-2-17, N.M.S.A. (1978) hereby makes application for an Order pooling all of the mineral interests from the surface to the base of the undesignated Humble City Atoka Pool in and under the N/2 NE/4 of Section 14, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents a substantial portion of the working interest in and under the N/2 NE/4 of said Section 14, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced 80-acre pooled unit to a well to be drilled at an unorthodox location 1200 feet from the north line and 1950 feet from the east line of said Section 14.
3. Applicant has sought and obtained other voluntarily agreement for pooling or farmout from the owners of less than 100% of the working interest in the N/2 NE/4 of said Section 14.
4. Said pooling of interest and well completion at the unorthodox location will avoid the drilling of unnecessary

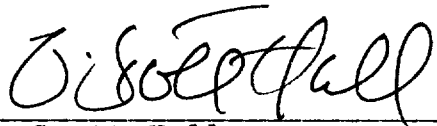
wells, will prevent waste and will protect correlative rights.

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 the Applicant should be designated the operator of the well to be drilled at the unorthodox location referenced above.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on March 4, 1987, 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 cost of drilling, equipping and completing a well, its cost 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 approved by the 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 DAVID PETROLEUM
CORPORATION