

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE
ENERGY OPERATING PARTNERS,
L.P., FOR COMPULSORY
POOLING, EDDY COUNTY,
NEW MEXICO.

Case No. 9160

APPLICATION

Santa Fe Energy Operating Partners, L.P., hereby makes application for an Order pooling all interests from the surface to the base of the Morrow formation in the W $\frac{1}{2}$ of Section 34, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show:

1. Applicant is a working interest owner in the W $\frac{1}{2}$ of said Section 34.

2. Applicant proposes to drill its Sterling Silver Federal No. 1 Well in the W $\frac{1}{2}$ of Section 34, at a standard location, to a depth of approximately 15,250 feet or the base of the Morrow formation, and seeks to dedicate the W $\frac{1}{2}$ of Section 34 to the Well.

3. Applicant has in good faith sought to join all other mineral interest owners in the W $\frac{1}{2}$ of Section 34 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have refused to join in dedicating their acreage. Therefore, Applicant seeks an Order

pooling all mineral interest owners underlying the W½ of Section 34, pursuant to § 70-2-17 N.M.S.A. 1978.

5. Applicant asks that the Division consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty for the risk involved in drilling the well.

6. The pooling of all interests underlying the W½ of Section 34 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Applicant requests that this matter be heard at the July 1, 1987 Examiner hearing.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By



James Bruce

Post Office Box 2068

Santa Fe, New Mexico 87504-2068

Attorneys for Applicant

Dated: May 29, 1987