

February 5, 1988

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 9321

Re: Cook No. 1 Well
Township 2 South, Range 29 East, NMPM
Section 34: N/2
Roosevelt County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of Marshall Pipe & Supply Company for Compulsory Pooling, Roosevelt County, New Mexico. We previously sent to your office for filing on January 22, 1988, an application for an unorthodox well location for the captioned well. → *Case No. 9309 set for 2/17/88*

We ask that this matter be set for hearing before an Examiner on March 2, 1988, and advise that we will request consolidation of the hearing on this matter with the hearing on the unorthodox location.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvw
Enclosures

cc w/enclosure: Marshall Pipe & Supply Company
Ms. Leslie Bentz

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :
OF MARSHALL PIPE & SUPPLY COMPANY :
FOR COMPULSORY POOLING, ROOSEVELT :
COUNTY, NEW MEXICO :
_____ :

CASE NO. 9321

APPLICATION

COMES NOW Marshall Pipe & Supply Company, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the following described lands in Roosevelt County, New Mexico:

Township 2 South, Range 29 East, N.M.P.M.

Section 34: N/2

containing 320 acres, more or less,
and proposes to drill its Cook No. 1 Well at an unorthodox location at a point located 330 feet from the north line and 1,980 feet from the east line of said Section 34, to a depth sufficient to test all formations from the surface through the base of the Ordovician formation.

2. A standard 320-acre proration unit comprising the N/2 of said Section 34 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil and gas.

3. There are interest owners in the unit who have not agreed to pool their interests.

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

5. To avoid the drilling of unnecessary 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 and gas in said unit, all mineral interests, whatever they may be, from the surface down to the base of the Ordovician formation, underlying N/2 Section 34, Township 2 South, Range 29 East, N.M.P.M, Roosevelt County, New Mexico, 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.

8. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share of oil and gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from

the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

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 pooling all mineral interests, whatever they may be, from the surface down to the base of the Ordovician formation, underlying N/2 Section 34, Township 2 South, Range 29 East, N.M.P.M., Roosevelt County, New Mexico, or such lesser portion as may be productive of oil and gas and dedicated to Applicant's well.

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

MARSHALL PIPE & SUPPLY COMPANY

By: 
Chad Dickerson

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(505) 746-9841

Attorneys for Applicant