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April 28, 1988

Case 9369

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

Attn: William J. Lemay, Division Director

Re: Application for Compulsory Pooling
Hixon Development Company Tapacitos #4 Well
Rio Arriba County, New Mexico

Gentlemen:

Enclosed please find the Application of Hixon Development Company for Compulsory Pooling applicable to its Tapacitos #4 Well located in Section 36, Township 26 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico.

This Application was verbally conveyed to the Santa Fe Office of the New Mexico Oil Conservation Division on April 19, 1988. I was advised, at that time, that the Application would be placed on the May 11, 1988 Docket of the New Mexico Oil Conservation Division and that it would be heard on that date in Santa Fe, New Mexico.

Please advise should you desire any additional information.

Sincerely,

TOMMY ROBERTS, Attorney
for Hixon Development Company

TR:nk
enclosure

xc: Hixon Development Company

Supervisor - District III Office
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

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

IN THE MATTER OF THE APPLICATION
OF HIXON DEVELOPMENT COMPANY FOR
COMPULSORY POOLING, RIO ARriba
COUNTY, NEW MEXICO

CASE NO.

APPLICATION

COMES NOW Hixon Development Company, by and through its attorney, Tommy Roberts, and in accordance with applicable statutory authority applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests in the Gavilan Mancos Oil Pool underlying all of Section 36, Township 26 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, to form a standard 640-acre oil spacing and proration unit in said pool, which unit is to be dedicated to the Hixon Development Company Tapacitos #4 Well located in Unit 0 of said Section 36, and which well is currently completed in and producing from the Gavilan Mancos Oil Pool and is currently dedicated to a previously approved 320-acre oil spacing and proration unit comprising the S/2 of said Section 36.

In support of this application, Hixon Development Company, the applicant herein, states as follows:

1. Applicant is the operator of the Tapacitos #4 Well located 1100 feet from the South line and 1600 feet from the East line (Unit 0) of Section 36, Township 26 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico.

2. The Tapacitos #4 Well is currently completed in and producing from the Gavilan Mancos Oil Pool and is currently dedicated to a previously approved 320-acre oil spacing and proration unit comprising the S/2 of said Section 36.

3. The New Mexico Oil Conservation Commission issued Order No. R-7407-E, effective June 8, 1987, providing for 640-acre oil spacing and proration units for the Gavilan Mancos Oil Pool.

4. Pursuant to New Mexico Oil Conservation Commission Order No. R-7407-E, Applicant seeks to dedicate all of said Section 36, consisting of 640 acres, to its Tapacitos #4 Well.

5. Applicant has sought the voluntary agreement of all mineral interest owners and/or oil and gas leasehold operating rights owners in said Section 36 for participation in its Tapacitos #4 Well and for the formation of a 640-acre oil spacing and proration unit for the well, but has been unable to obtain the agreement of all parties with respect to the method for participation in the well.

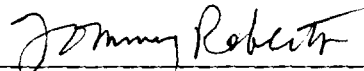
6. Applicant seeks to have this application heard at the Examiner Hearing scheduled for May 11, 1988.

7. All interested parties have been provided notification of this application in accordance with the rules and regulations of the New Mexico Oil Conservation Division.

8. The granting of this application will be in the best interests of conservation and will result in the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before the duly appointed Division Examiner on May 11, 1988. Applicant further requests that, after hearing, the New Mexico Oil Conservation Division enter its order (a) pooling the mineral interests described in this application, (b) making provision for participation in the Tapacitos #4 Well by those interest owners who have not voluntarily entered into an agreement for participation, (c) designating Applicant to continue as the operator of the Tapacitos #4 Well, and (d) granting such other and further relief as may be deemed proper.

Respectfully submitted,



TOMMY ROBERTS
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Farmington, New Mexico 87499

Attorney for Applicant,
Hixon Development Company