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August 24, 1988

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OIL CONSERVATION DIVISION

Case 9490

HAND-DELIVERED

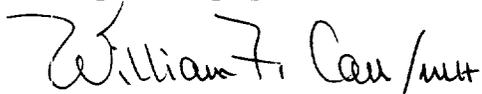
William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Texaco Producing
Inc., for Compulsory Pooling, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed is the Application of Texaco Producing Inc., in the above-referenced case. Texaco Producing Inc., respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on September 28, 1988.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: Curtis Smith
Texaco Producing Inc.

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

IN THE MATTER OF THE APPLICATION OF
TEXACO PRODUCING INC., FOR
COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 9490

APPLICATION

COMES NOW TEXACO PRODUCING INC., by and through its undersigned attorneys, and as provided by Section 70-2-17, N.M.S.A. (1978), hereby makes application to the Oil Conservation Division for an order pooling all of the mineral interests in any and all formations developed on 320-acre spacing or proration units to the base of the Strawn formation in and under the E/2 of Section 17, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 69% of the working interest in and under the E/2 of Section 17.

2. Applicant proposes to dedicate the above-referenced pooled unit to its West Jal B Deep #1 Well located at a standard location 1980 feet from the North line and 660 feet from the East line of said Section 17. Applicant proposes to re-enter this well and drill to a depth of approximately 12,000 feet and test all formations to the base of the Strawn formation.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the E/2 of said Section 17 except for W. D. Dinwiddie, Box 302, Jal, New Mexico 88257, owner of a 31% mineral interest.

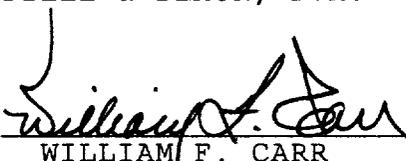
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

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.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on September 28, 1988, 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 costs of drilling, equipping and completing the well, its costs 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, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 

WILLIAM F. CARR

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ATTORNEYS FOR TEXACO PRODUCING
INC.