

# HINKLE, COX, EATON, COFFIELD & HENSLEY

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\*NOT LICENSED IN NEW MEXICO

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June 2, 1992

## VIA HAND DELIVERY

Ms. Florene Davidson  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87503

Dear Florene:

Enclosed are an original and two copies of an application filed on behalf of Charles Gillespie. Please set this matter for the June 25th hearing.

Very truly yours,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY

  
James Bruce

JB:frs  
Enclosures

RECEIVED

JUN 03 1992  
OIL CONSERVATION DIVISION  
106498

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED

APPLICATION OF CHARLES GILLESPIE  
FOR COMPULSORY POOLING AND A NON-  
STANDARD SPACING AND PRORATION UNIT,  
LEA COUNTY, NEW MEXICO.

JUN 02 1968  
OIL CONSERVATION DIVISION  
No. 10498

APPLICATION

Charles Gillespie hereby makes application for an order pooling all mineral interests from the surface to the base of the Strawn formation underlying Lot 3 of Section 1, Township 16 South, Range 35 East, N.M.P.M., Eddy County, New Mexico, and approving a non-standard spacing and proration unit, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in Lot 3 of said Section 1.

2. Applicant proposes to drill a well in Lot 3 of Section 1, at a location 660 feet from the North line and 2310 feet from the West line of the Section, to a depth sufficient to test the Strawn formation, and seeks to dedicate Lot 3 to the well.

3. Applicant has in good faith sought to join all other mineral or leasehold interest owners in Lot 3 of Section 1 for the purposes set forth herein.

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

underlying Lot 3 of Section 1 pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).

5. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.

6. Upon information and belief, Lot 3 is approximately 50.13 acres in size. Oil producing formations within a mile of the proposed well are spaced on statewide 40 acre units. Therefore, Applicant requests a non-standard spacing and proration unit due to the variation in the U.S. Public Land Survey.

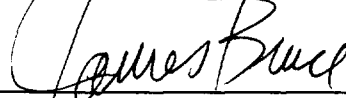
7. The pooling of all interests underlying Lot 3 of Section 1 and the granting of the non-standard spacing and proration unit will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that the Division grant the relief requested above.

Dated: June 2, 1992.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068  
(505) 982-4554

Attorneys for Applicant

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
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October 6, 1992

HAND-DELIVERED

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OCT 07 1992

OIL CONSERVATION DIVISION

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

Case 10498

Re: In the Matter of the Application of Monty D. McLane to Reopen Case No.  
10498, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Monty D. McLane in the above-referenced case. Monty D. McLane respectfully requests that this matter be placed on the docket for the October 29, 1992 Examiner hearings.

Very truly yours,

  
WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: Mr. Monty D. McLane  
James G. Bruce, Esq.

BEFORE THE  
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF MONTY D. McLANE, TO REOPEN  
CASE NO. 10498 AND TO EXEMPT  
CERTAIN WORKING INTEREST FROM THE  
POOLING PROVISIONS OF ORDER NO. ~~R-9096~~, R-9690  
LEA COUNTY, NEW MEXICO.

RECEIVED

OIL CONSERVATION DIVISION

CASE NO. 10498

APPLICATION

COMES NOW MONTY D. McLANE, through its undersigned attorneys, and hereby makes application to the New Mexico Oil Conservation Division for an Order reopening Case No. 10498 and exempting certain working interest from the pooling provisions of Order No. ~~R-9096~~, R-9690, and in support thereof, states:

1. Applicant is the owner of working interest in the non-standard 51.08-acre oil spacing and proration unit comprised of Lot 3, Section 1, Township 16 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

2. This acreage was compulsory pooled by Order No. R-9690 which was entered in Case No. 10498 on the Application of Charles Gillespie.

3. At the time of the June 25, 1992 Examiner Hearing in this matter, the interest now owned by Monte D. McLane were owned by the heirs of Henry H. Lawton and Amanda K. Parks.

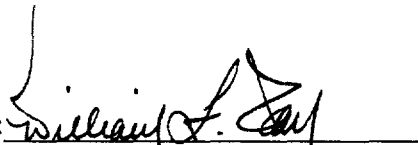
4. A diligent effort was not made to locate the owners of these mineral interests and provide them with an opportunity to participate in the project. The failure of Charles Gillespie to exercise due diligence in attempting to locate these mineral interest

owners violates the provisions of the Oil and Gas Act which authorize compulsory pooling orders by the Oil Conservation Division.

WHEREFORE, Monte D. McLane, requests that this matter be set for hearing before an Examiner of the Oil Conservation Division on October 29, 1992 and, after notice and hearing as required by law, the Division enter its order reopening Case No. 10498 and declaring that the working interests previously owned by Henry H. Lawton and Amanda K. Parks and now owned by Monty D. McLane are not subject to Oil Conservation Division Pooling Order No. R-9690 and granting such other relief as the Division may deem appropriate.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

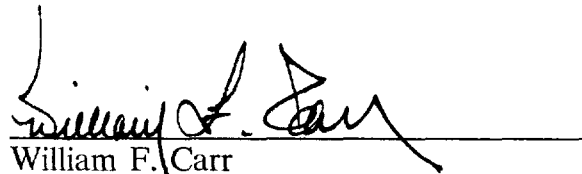
By: 

WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR MONTE D. McLANE

**CERTIFICATE OF SERVICE**

I hereby certify that I have caused to be mailed a true and correct copy of this Application to James G. Bruce, Hinkle, Cox, Eaton, Coffield & Hensley, Post Office Box 2068, Santa Fe, New Mexico 87504-2068 on this 16<sup>th</sup> day of October, 1992.

  
William F. Carr

**RECEIVED**  
MAY 26 1993

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION COMMISSION**

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

REOPENED CASE NO. 10498  
ORDER NO. R-9690-A

THE REOPENING OF DIVISION CASE NO. 10498 UPON APPLICATION OF MONTY D. McLANE TO EXEMPT CERTAIN WORKING INTERESTS FROM THE COMPULSORY POOLING PROVISIONS OF DIVISION ORDER NO. R-9690, LEA COUNTY, NEW MEXICO

APPLICATION FOR HEARING DE NOVO

Charles B. Gillespie, Jr., a party of record in the above matter, hereby requests that the matter be heard *de novo* by the Oil Conservation Commission pursuant to N.M. Stat. Ann. § 70-2-13 (1987 Repl.).

HINKLE, COX, EATON, COFFIELD  
& HENSLEY



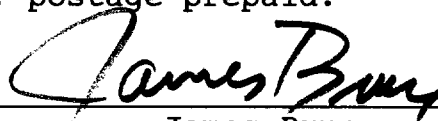
James Bruce  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068  
(505) 982-4554

Attorneys for Charles B. Gillespie,  
Jr.



**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Application for Hearing *De Novo* was mailed to William F. Carr, Esq., 110 N. Guadalupe, Santa Fe, New Mexico 87501, this 26th day of May, 1993, by first-class mail, postage prepaid.

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce