

# HINKLE, COX, EATON, COFFIELD & HENSLEY

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June 29, 1993

Florene Davidson  
Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87503

Dear Florene:

Last week we filed a compulsory pooling/unorthodox location application for Santa Fe Energy regarding Section 8 - 22 South - 24 East, to be set for the July 15 hearing. Enclosed are an original and two copies of an amended application regarding that case. Please set the amended application for the July 29 hearing. Please also note that the unorthodox location request is deleted.

Very truly yours,

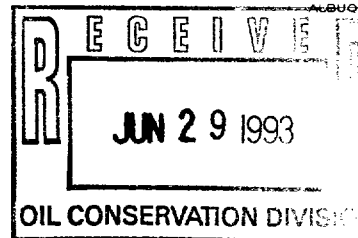
HINKLE, COX, EATON, COFFIELD  
& HENSLEY

*James Bruce*  
James Bruce

Enclosures

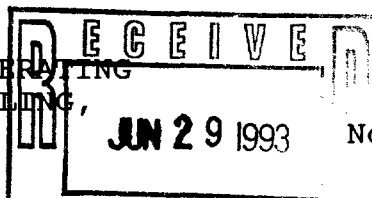
VIA HAND DELIVERY

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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



AMENDED APPLICATION

Santa Fe Energy Operating Partners, L.P. hereby makes application for an order pooling all mineral interests from the surface to the base of the Cisco/Canyon formation underlying all of Section 8, or in the alternative the S $\frac{1}{2}$  of Section 8, in Township 22 South, Range 24 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in said Section 8.

2. Applicant proposes to drill a well at an orthodox location in the S $\frac{1}{2}$  of Section 8 to a depth sufficient to test the Cisco/Canyon formation, and seeks to dedicate all of Section 8 to the well for all pools or formations spaced on 640 acres (including the Indian Basin-Upper Pennsylvanian Gas Pool).

3. In the alternative, in the event special pool rules are promulgated for the W $\frac{1}{2}$  of Section 17 pursuant to Case No. 10,748, and Section 8 is deemed to be governed by said pool rules, Applicant requests that the S $\frac{1}{2}$  of Section 8, from the surface to the base of the Cisco/Canyon formation, be pooled for all pools or formations spaced on 320 acres.

4. Applicant has in good faith sought to join all other mineral or leasehold interest owners in Section 8 for the purposes set forth herein.

5. 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 Section 8, as described above, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).

6. 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.

7. The pooling of all interests underlying all of Section 8, or in the alternative the S½ of Section 8, as described above will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY

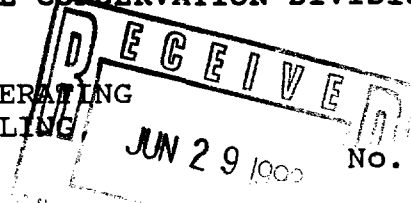
A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

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

Attorneys for Applicant

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No. 10768

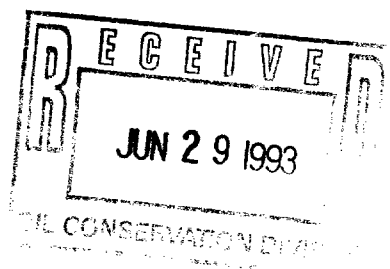
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