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

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SEP 11 18-

RECEIVED

IN THE MATTER OF THE APPLICATION OF PHILLIPS PETROLEUM COMPANY, FOR COMPULSORY POOLING, AND UNORTHODOX GAS WELL LOCATION, ROOSEVELT COUNTY, NEW MEXICO.

CASE: 8366

APPLICATION C

Comes now Phillips Petroleum Company and applies to the Oil Conservation Division of New Mexico for an order pooling all mineral interests from the surface to the base of the Pennsylvanian formation underlying the N/2 of Section 12, Township 6 South, Range 33 East, NMPM, Roosevelt County, New Mexico, for the formation of a proration and spacing unit for the said production at an unorthodox gas well location 2310 feet FNL & 1650 feet FWL and in support thereof would show the Commission:

- 1. Applicant is an owner of the right to drill and develop the N/2 of Section 12, Township 6 South, Range 33 East, NMPM.
- 2. Applicant proposes to to drill a well at a location 2310 feet FNL & 1650 feet FWL of said section and to dedicate the N/2 of said Section to the well.
- 3. Applicant has sought to obtain the cooperation of all parties.

- 4. In order to obtain their just and equitable share of the production underlying the above lands, Applicant needs an order pooling the mineral interest involved.
- 5. Those who have not consented to join in the reentry or drilling of a well, with their addresses, to the best of applicant's information and belief, are as follows:

Energy Reserves Group P. O. Drawer 2437 Midland, Texas 79702

Attn: Robert G. Elliott

6. The parties names in paragraph 5 above have been furnished a copy of this application.

WHEREFORE applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described herein. Applicant further prays that it be named operator of the well, and that the order make provision for applicant to recover out of production its costs of drilling the subject well, completing and equipping it, costs of operation, including costs of

supervision and a risk factor in the amount of 200% for the drilling of the well, for such other and further relief as may be proper.

Respectfully submitted,

Phillips Petroleum Company

W. Thomas Kellahin KELLAHIN & KELLAHIN P. O. Box 2265

Santa Fe, New Mexico 87501

Attorneys for Applicant