CAMPBELL & BLACK, P.A.

LAWYERS

JACK M CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE

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RECEIVED

GUADALUPE PLACE

SUITE I - IIO NORTH GUADALUPE

CH CONTERVATION DIVISION POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

Case 9049

November 13, 1986

HAND DELIVERED

R. L. Stamets, Director Oil Conservation Division New Mexico Department of Energy and Minerals State Land Office Building Santa Fe, New Mexico 87501

Application of Foran Oil Company for Compulsory

Pooling, Chaves County, New Mexico.

Dear Mr. Stamets:

Enclosed in triplicate is the Application of Foran Oil Company in the above-referenced matter.

Foran Oil Company respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on December 3, 1986.

Very truly yours,

WILLIAM F. CARR

WFC/ab Enclosure

cc w/enclosure: Mr. Joe Foran

Foran Oil Company

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

CL CLASSER /ATION DIVISION

IN THE MATTER OF THE APPLICATION OF FORAN OIL COMPANY FOR COMPULSORY POOLING, CHAVES COUNTY, NEW MEXICO.

CASE <u>9049</u>

APPLICATION

COMES NOW FORAN OIL COMPANY, by and through its undersigned attorneys and, as provided by Section 70-2-17, N.M.S.A. (1978), hereby applies to the Oil Conservation Division of New Mexico for an order pooling all mineral interests from the top of the Wolfcamp to the base of the Pennsylvanian formation, underlying the S/2 of Section 30, Township 15 South, Range 28 East, NMPM, Chaves County, New Mexico, for the formation of a 320-acre gas spacing and proration unit, and in support thereof, would show the Division:

- 1. Applicant is an owner of the right to drill and develop the S/2, Section 30, Township 15 South, Range 28 East, N.M.P.M.
- 2. Applicant proposes to drill a Morrow test well at a standard location 1980 feet from the south line and 1980 feet from the east line and to dedicate the S/2 of said section to the well.
- 3. Applicant seeks to pool the interest of Marathon Oil Company, c/o Steve Daniels, 125 West Missouri, Midland, Texas 79701, which Applicant believes is a 10.5% working interest in the south half of said section.

4. In order to obtain their just and equitable share of the production underlying the above lands, Applicant needs an order pooling the mineral interests involved.

5. The party named in paragraph 3 above has been furnished a copy of this application.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on December 3, 1986, 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 provisions 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, and for such other and further relief as may be proper.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

WILLIAM F. CARE

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ATTORNEYS FOR FORAN OIL COMPANY