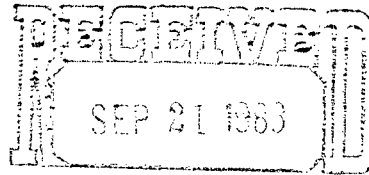


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OIL CONSERVATION DIVISION

SANTA FE  
September 16, 1983

Mr. Joe D. Ramey, Director  
Oil Conservation Division  
New Mexico Department of  
Energy and Minerals  
Post Office Box 2088  
Santa Fe, New Mexico 87501

*Case 7977*

Re: Application of Chama Petroleum Company for Compulsory  
Pooling, Eddy County, New Mexico.

Dear Mr. Ramey:

Enclosed in triplicate is the application of Chama Petroleum  
Company in the above-referenced case. Chama Petroleum Company  
requests that this matter be included on the docket for the  
Examiner Hearing scheduled for October 12, 1983.

Your attention to this request is appreciated.

Very truly yours,

William F. Carr

WFC:ndb

Enclosures

cc: Mr. Mark Nearburg

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

IN THE MATTER OF THE APPLICATION  
OF CHAMA PETROLEUM COMPANY FOR  
COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.

CASE 7927

APPLICATION

Comes now, CHAMA PETROLEUM COMPANY, by and through its undersigned attorneys and, as provided by Section 70-2-17, New Mexico Statutes Annotated, 1978 Compilation, hereby makes application for an order pooling all of the mineral interests in all formations from the surface to the base of the Mississippian formation in and under the N/2 of Section 8, Township 19 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 97% of the working interest in and under the N/2 of Section 8 and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at a standard location in the N/2 of said Section 8.

3. The only interest owner who has not agreed to pool his interest for the drilling of the proposed well is Dominick Letizio, 14210 Mortenvue Drive, Taylor, Michigan, 48180, the owner of a 10-acre mineral interest in the N/2 of Section 8. Under a 320-acre unit Mr. Letizio has a 3% mineral interest,

under a 160-acre unit Mr. Letizio would have a 6% mineral interest and under a 40-acre unit Mr. Letizio would have a 25% mineral interest.

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

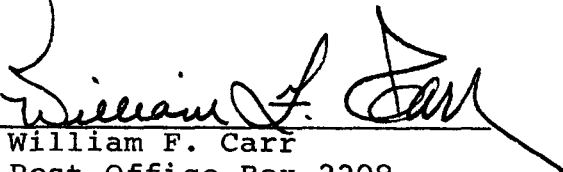
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

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 lands, including provisions for applicant to recover its costs of drilling, equipping and completing the well, and 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, BYRD & BLACK, P.A.

By



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ATTORNEYS FOR APPLICANT