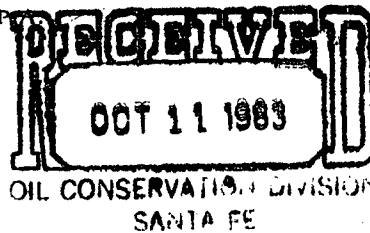


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October 6, 1983

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

Re: Case 7978: Application of Chama Petroleum Company for
Compulsory Pooling and an Unorthodox Well Location, Eddy
County, New Mexico.

Dear Mr. Ramey:

Chama Petroleum Company hereby requests that the
above-referenced case be continued to the Examiner Hearing
scheduled for October 26, 1983.

Your attention to this request is appreciated.

Very truly yours,

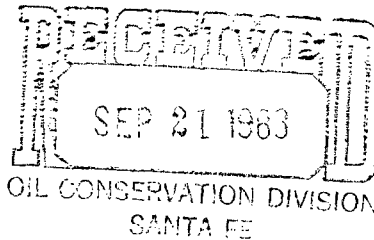
William F. Carr

WFC:ndb

cc: Mr. Mark Nearburg

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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 7978

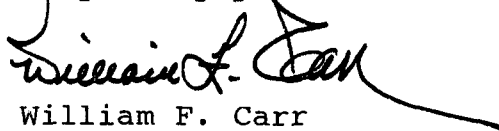
Re: Application of Chama Petroleum Company for Compulsory
Pooling, Eddy County, New Mexico.

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 7978

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 S/2 of Section 23, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 87.5% of the working interest in and under the S/2 of Section 23 and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to the Chama Parino No. 1 well to be drilled at an unorthodox location 1980 feet from the South line and 660 feet from the East line of said Section 23.

3. The only interest owner who has not agreed to pool her interest for the drilling of the proposed well is Claire Parino, the owner of a 12.5% mineral interest under the S/2 of Section 23.

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

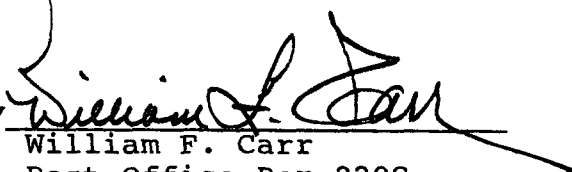
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

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


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
(505)988-4421
ATTORNEYS FOR APPLICANT