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Case 15658

February 28, 2017

Flrene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of NM&O Operating Company, are an application for compulsory pooling, together with a proposed advertisement. Please set this matter for the March 30, 2017 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for NM&O Operating Company

PERSONS BEING NOTIFIED

**Arriba Company, Ltd.
P.O. Box 35304
Tulsa, Oklahoma 74153**

**Arriba Company, L.L.C.
P.O. Box 35304
Tulsa, Oklahoma 74153**

**Mabel Reed, Trustee of the
Warren Clark Trust
P.O. Drawer 310
Bastrop, Texas 78602**

**Carolyn Clark Oatman
P.O. Drawer 310
Bastrop, Texas 78602**

**Mabel Reed and W. W. Oatman,
Trustees of the Warren Clark
Oatman Testamentary Trust
P.O. Drawer 310
Bastrop, Texas 78602**

**Hooper, Kimball & Williams, Inc.
P.O. Box 521173
Tulsa, Oklahoma 74152**

**Van K. Bullock
16243 River Haven Way
Morrison, Colorado 80465**

**Southland Royalty Company LLC
400 West 7th Street
Fort Worth, Texas 76102**

**Freeport-McMoRan Inc.
333 North Central Avenue
Phoenix, Arizona 85004**

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF NM&O OPERATING COMPANY
FOR COMPULSORY POOLING, RIO ARRIBA COUNTY,
NEW MEXICO.**

Case No. 15658

APPLICATION

NM&O Operating Company applies for an order pooling all mineral interests in the Mesaverde formation underlying the S½ of Section 35, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S½ of Section 35, and has the right to drill a well thereon.
2. Applicant has drilled its Hawk Well No. 3 to a depth sufficient to test the Mesaverde formation (Blanco-Mesaverde Gas Pool). Applicant has dedicated the S½ of Section 35 to the well to form a standard 320 acre gas spacing and proration unit. The well has a surface location in the NW¼SE¼ Section 35.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S½ of Section 35 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral 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 interests. Therefore, applicant seeks an order pooling all mineral interest owners in the S½ of Section 35, pursuant to NMSA 1978 §§70-2-17.
5. The pooling of all mineral interests underlying the S½ of Section 35 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the Mesaverde formation underlying the S½ of Section 35; and
- B. Designating applicant as operator of the well.

Respectfully submitted,



James Bruce
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Santa Fe, New Mexico 87504
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jamesbruc@aol.com

Attorney for NM&O Operating Company

PROPOSED ADVERTISEMENT

Case No. 15658:

Application of NM&O Operating Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Mesaverde formation (Blanco-Mesaverde Gas Pool) underlying the S/2 of Section 35, Township 25 North, Range 2 West, NMPM, to form a standard 320 acre gas spacing and proration unit. The unit is dedicated to the Hawk Well No. 3, located at an orthodox location in the NW/4SE/4 of Section 35. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 2-1/2 miles north of Lindrith, New Mexico.

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