

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

RECEIVED

FEB 25 1987

IN THE MATTER OF THE APPLICATION
OF READING AND BATES PETROLEUM
COMPANY FOR COMPULSORY POOLING,
RIO ARRIBA COUNTY, NEW MEXICO

OIL CONSERVATION DIVISION

Case No. 9090

APPLICATION

Reading and Bates Petroleum Company, by and through its undersigned counsel, and as provided in Section 70-2-17 N.M.S.A., (1978) hereby makes application for an order pooling all mineral interests in the undesignated Gavilan-Mancos and the undesignated Gavilan Greenhorn-Graneros-Dakota oil pools underlying the E/2 of Section 16, Township 25 North, Range 2 West NMPM to form a standard 320 acre oil spacing and proration unit and in support thereof would show the Division:

1. Applicant owns or represents a substantial portion of the working interest in an under the E/2 of said Section 16, and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above referenced 320 acre pooled unit to a well to be drilled at an orthodox location on said Section 16.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from the owners of less than 100% of the working interest in the E/2 of said Section 16.

4. The pooling of the uncommitted interests and well completion at the orthodox location 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 uncommitted mineral interests should be pooled, and the applicant should be designated the operator of the well to be drilled at the orthodox location referenced above.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on March 18, 1987, 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 a well, 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 & BLACK

By



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