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BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

RECEIVED

IN THE MATTER OF THE APPLICATION
OF HALLWOOD PETROLEUM, INC.
FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO

FEB 21 1995

Oil Conservation Division NO. 11220

APPLICATION

HALLWOOD PETROLEUM, INC., through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all of the mineral interests in the N/2 of Section 1, Township 31 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, and in support thereof states:

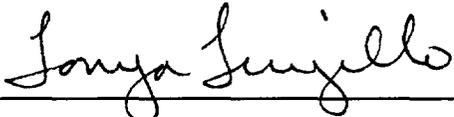
1. Applicant owns or represents over 37.5% of the working interest in the N/2 of said Section 1, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Moseley 1-1 well to be drilled at a standard location in the N/2 of said Section 1, at a point 1590 feet from the North line and 2140 feet from the East line to a depth sufficient to test any and all formations from the surface to the base of the Fruitland Coal formation, including the Fruitland formation and Basin-Fruitland Coal Gas Pool.
3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the N/2 of said Section 1.
4. Said pooling of interests 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, all mineral interests 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 an Examiner of the Oil Conservation Division on March 16, 1995 and, 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, 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.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 

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ATTORNEYS FOR HALLWOOD
PETROLEUM, INC.

CASE 11220

Application of Hallwood Petroleum, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in the N/2 of Section 1 for all formations developed on 160-acre spacing and in the N/2 of Section 1 for all formations in Township 31 North, Range 13 West. Said unit is to be dedicated to the Moseley 1-1 Well at a standard location 1590 feet from the North line and 2140 feet from the East line drilled to the Fruitland Coal formation, Basin-Fruitland Coal Gas Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately _____ miles _____ of _____, New Mexico.

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