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February 21, 1995

11221

**HAND-DELIVERED**

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

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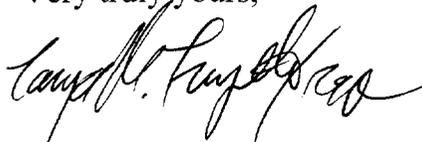
Oil Conservation Division

Re: Application of Hallwood Petroleum, Inc. for Compulsory Pooling in San Juan  
County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Hallwood Petroleum, Inc. in the above-referenced case as well as a copy of a legal advertisement. Hallwood Petroleum, Inc. respectfully requests that this matter be placed on the docket for the March 16, 1995 Examiner hearings.

Very truly yours,



Tanya M. Trujillo

Enclosures

cc: Connie Heath (w/encl.)  
Hallwood Petroleum, Inc.

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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

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CASE NO. 11521

Oil Conservation Division

APPLICATION

*Section 12 in a standard 640-acre Section.*  
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 12, 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 12, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Federal B2-12 well to be drilled at a standard location in the N/2 of said Section 12 at a point 790 feet from the North line and 790 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 12.
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

*2 1/2 miles SE of La Plata, NM*

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: 

WILLIAM F. CARR  
TANYA M. TRUJILLO  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
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ATTORNEYS FOR HALLWOOD  
PETROLEUM, INC.

CASE 1121

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 12 for all formations developed on 160-acre spacing and in the N/2 of Section 12 for all formations in Township 31 North, Range 13 West. Said unit is to be dedicated to the Federal B2-12 Well to be drilled at a standard location 790 feet from the North line and 790 feet from the East line of said Section 12 and 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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Oil Conservation Division