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**FORMERLY COMPRISING THE FIRM OF
CULTON, MORGAN, BRITAIN & WHITE, P.C.

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February 16, 1995

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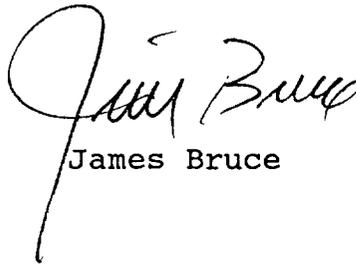
Florene Davidson
Oil Conservation Division
2040 Pacheco Street
Santa Fe, New Mexico

Dear Florene:

Enclosed for filing are an original and two copies of an application for compulsory pooling and an unorthodox gas well location filed on behalf of Santa Fe Energy Resources, Inc., together with a proposed advertisement. Please set this case for the March 16, 1995 examiner hearing. Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY


James Bruce

Enclosures

JGB/sp

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FEB 16 1995
Oil Conservation Division

11226

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY
RESOURCES, INC. FOR COMPULSORY
POOLING AND AN UNORTHODOX GAS
WELL LOCATION, LEA COUNTY, NEW
MEXICO

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FEB 16 1995 NO. 11226

APPLICATION Oil Conservation Division

Santa Fe Energy Resources, Inc., hereby makes application for an order pooling all mineral interests from the surface to the base of the Devonian formation underlying Section 29, Township 22 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in said Section 29.
2. Applicant proposes to drill its Shamrock "29" Fed. Com. Well No. 1 in Section 29, at an unorthodox gas well location 1,330 feet from the North line and 1,330 feet from the East line of the Section, to a depth sufficient to test the Devonian formation (approximately 15,000 feet), and seeks to dedicate the following acreage to the well:
 - (a) All of Section 29 for all pools or formations spaced on 640 acres, including the undesignated North Bell Lake-Devonian Gas Pool; and
 - (b) The N $\frac{1}{2}$ of Section 29 for all pools or formations spaced on 320 acres.
3. Applicant has in good faith sought to join all other mineral or leasehold interest owners in Section 29 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral or leasehold 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 acreage. Therefore, Applicant seeks an order pooling all mineral and leasehold interest owners underlying Section 29, as described above, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl. Pamp.).

5. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.

6. The pooling of all interests underlying Section 29, as described above, and the granting of the unorthodox well location, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that the Division grant the relief requested above.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in black ink, appearing to read "James Bruce", written over a horizontal line.

James Bruce
Post Office Box 2068
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(505) 982-4554

Attorneys for Santa Fe Energy
Resources, Inc.

devnian.app

PROPOSED ADVERTISEMENT

Case No. 11226: Application of Santa Fe Energy Resources, Inc. for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Devonian formation underlying Section 29, Township 22 South, Range 34 East, N.M.P.M., for any and all formations and/or pools developed on 640-acre spacing within said vertical extent, including the undesignated North Bell Lake-Devonian Gas Pool, and for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said units are to be dedicated to the Applicant's Shamrock "29" Fed Com. Well No. 1, to be drilled at an unorthodox gas well location 1,330 feet from the North line and 1,330 feet from the East line of the section. 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 the risk involved in drilling said well. Said unit is located approximately 16 miles southwest of Eunice, New Mexico.

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FEB 16 1995

Oil Conservation Division