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OIL CONSERVATION DIVISION

Oil Conservation Division

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF ENRON OIL & GAS COMPANY
FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO

CASE NO. 11231

APPLICATION

ENRON OIL & GAS COMPANY, 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 from the surface to the base of the Bone Spring Formation in the NW/4 NW/4 of Section 20, Township 25 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Applicant owns or represents 50% of the working interest in the NW/4 NW/4 of Section 20, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Gulf Federal Well No. 1 to be re-entered at an orthodox location 660 feet from the North and West lines of Section 20 and recompleted as a wildcat well in the Bone Springs Formation at a depth of approximately 12,500 feet, more or less.
3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from Dalen Resources Oil and Gas Company, owner of the other 50% working interest in this spacing unit.
4. Said pooling of interests will avoid the drilling of unnecessary wells, will

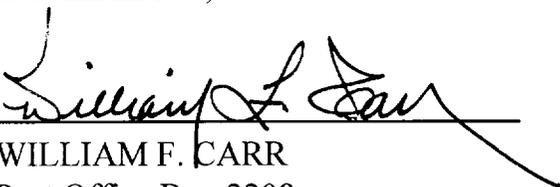
prevent waste and will protect correlative rights.

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 April 6, 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.

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