

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF BONNEVILLE FUELS CORPORATION
FOR COMPULSORY POOLING AND AN
UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

RECEIVED
JUN 5 1995
Oil Conservation
CASE NO. 11517

APPLICATION

BONNEVILLE FUELS CORPORATION, through its undersigned attorneys, hereby makes application for an order approving an unorthodox well location, and pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all mineral interests in the W/2 SW/4 of Section 13, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Applicant owns or represents approximately 98% of the working interest in the W/2 SW/4 of said Section 13, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Norris #4 well to be drilled in the Strawn formation, South Humble City-Strawn Pool, at an unorthodox well location 710 feet from the South line and 330 feet from the West line in the W/2 SW/4 of said Section 13, to a depth of approximately 11,840 feet, more or less.
3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the W/2 SW/4 of said Section 13.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

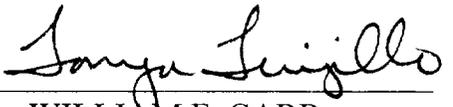
5. Applicant also seeks an exception to the Division's well location requirements for the South Humble City-Strawn Pool to permit the drilling of its Norris #4 well in the Strawn formation at the above-described location.

6. 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 June 29, 1995 and, after notice and hearing as required by law, the Division enter its order granting this application and 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,

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