

BEFORE THE

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. 118194

APPLICATION

ENRON OIL & GAS COMPANY, ("Enron"), 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 mineral interests from the surface to the base of Morrow formation underlying the E/2 of Section 7, Township 24 South, Range 34 East, for all formations developed on 320-acre spacing and proration units, and in support thereof states:

1. Enron is a working interest owner in the E/2 of Section 7, and has the right to drill thereon.
2. Enron proposes to drill its Bell Lake Unit 7 Well No. 1 at a standard location 2200 feet from the North line and 1980 feet from the East line of Section 7 to a depth sufficient to test any and all formations from the surface to the base of the Morrow formation, South Bell Lake-Morrow Gas Pool.
3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the E/2 of said Section 7.

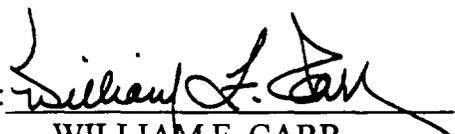
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit Enron to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled and Enron should be designated the operator of the well to be drilled.

WHEREFORE, Enron Oil & Gas Company prays that this application be set for hearing before an Examiner of the Oil Conservation Division on March 21, 1996 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Enron operator of all pooled units in the E/2 of said Section 7, and authorizing Enron to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, imposing a risk factor for the risk assumed by the Enron in drilling, completing and equipping the well.

Respectfully submitted,

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