

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO  
PAUL R. OWEN

JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

August 13, 1996

**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

11/10/96  
RECEIVED

AUG 13 1996

Oil Conservation Division

Re: Application of Naumann Oil & Gas, Inc., for Compulsory Pooling, Eddy  
County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is an Application of Naumann Oil & Gas, Inc. in the above-referenced case as well as a copy of a legal advertisement. Naumann Oil & Gas, Inc. respectfully requests that this matter be placed on the docket for the September 5, 1996 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh  
Enclosures

cc: David Frye (w/enclosures)  
Naumann Oil & Gas, Inc.  
Post Office Box 261324  
Plano, TX 79702

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AUG 13 1996

Oil Conservation Division

BEFORE THE  
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF NAUMANN OIL & GAS, INC.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 11606

**APPLICATION**

NAUMANN OIL & GAS, INC. ("Naumann"), 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 the Morrow formation underlying the S/2 of Section 33, Township 17 South, Range 30 East, in the following described manner: the S/2 forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, and in support thereof states:

1. Naumann is a working interest owner in the S/2 of Section 33 and proposes to drill its Sand Tank "33" Federal Com. No. 1 Well at an orthodox location 1650 feet from the South line and 2100 feet from the West line of Section 33 to and approximate depth of 11,700 feet and test any and all formations from the surface to the base of the Morrow formation Sand Tank-Morrow Gas Pool.
2. Naumann has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the S/2 of said Section 33.
3. Said pooling of interests will avoid the drilling of unnecessary wells, will

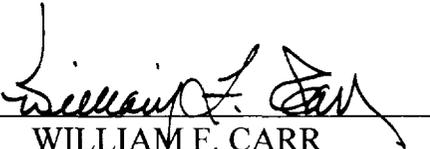
prevent waste and will protect correlative rights.

4. In order to permit Naumann 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.

WHEREFORE, Naumann Oil & Gas, Inc. prays that this application be set for hearing before an Examiner of the Oil Conservation Division on September 5, 1996 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Naumann operator of the S/2 of said Section 33, and authorizing Naumann to recover its costs of drilling, equipping and recompleting the well, its costs of supervision while drilling and after recompletion, including overhead charges, imposing a risk factor for the risk assumed by Naumann in drilling, equipping and recompleting the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By:   
WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR NAUMANN  
OIL & GAS, INC.

CASE 1/1006:

Application of Naumann Oil & Gas, Inc., for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, underlying the S/2 of Section 33, Township 17 South, Range 30 East in the following described manner: the S/2 forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing. Applicant proposes to dedicate this pooled unit to the Sand Tank "33" Federal Com. No. 1 Well to be drilled at a standard location 1650 feet from the South line and 2100 feet from the West line of said Section 33. Also to be considered will the cost of drilling and recompleting 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 2 miles southwest of Loco Hills, New Mexico.

**RECEIVED**

AUG 13 1996

Oil Conservation Division