

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF COLLINS & WARE, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 11658

APPLICATION

COLLINS & WARE, INC. ("Collins & Ware"), 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 Abo formation underlying the NE/4 SW/4 of Section 24, Township 20 South, Range 38 East, and in support thereof states:

1. Collins & Ware owns or controls approximately 75% of the working interest in the NE/4 SW/4 of Section 24, on which it proposes to drill a well at a standard location to the Abo formation, Blinebry Oil and Gas Pool, Undesignated DK-Drinkard Pool, and Undesignated DK-Abo Pool.
2. Collins & Ware has been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the NE/4 SW/4 of said Section 24.
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 Collins & Ware 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, Collins & Ware prays that this application be set for hearing before an Examiner of the Oil Conservation Division on November 21, 1996 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Collins & Ware operator of the NE/4 SW/4 of said Section 24, and authorizing Collins & Ware 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 Applicant in drilling, completing and equipping the well.

Respectfully submitted,

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

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ATTORNEYS FOR COLLINS &
WARE, INC.

CASE _____:

11658

Application of Collins & Ware, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Abo formation, Blinbry Oil and Gas Pool, Undesignated DK-Drinkard Pool, and Undesignated DK-Abo Pool, underlying the NE/4 SW/4 of Section 24, Township 20 South, Range 38 East. Applicant proposes to dedicate this pooled unit to a well to be drilled at a standard location in said Section 24. 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 risk involved in drilling said well. Said area is located approximately ___ miles _____ of _____, New Mexico.