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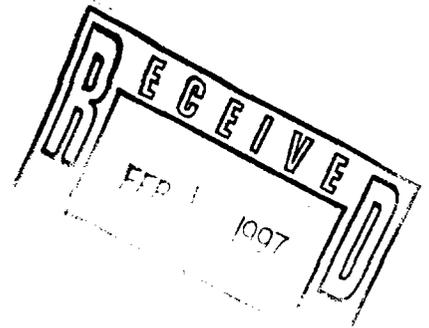
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February 11, 1997

*Case 11743*



Hand Delivered

Florene Davidson  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed are an original and two copies of the following applications, together with proposed advertisements for each application:

1. An application for compulsory pooling filed on behalf of Mewbourne Oil Company; and
2. An application for compulsory pooling filed on behalf of Santa Fe Energy Resources, Inc.

Please set these applications for the March 6th hearing. Thank you.

Very truly yours,

  
James Bruce



PROPOSED ADVERTISEMENT

Case 11743: Application of Santa Fe Energy Resources, Inc.

for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 17, Township 22 South, Range 28 East, NMPM, and in the following manner: The N½ of Section 17 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated West Indian Flats-Strawn Gas Pool, the Undesignated Dublin Ranch-Atoka Gas Pool, and the Undesignated Dublin Ranch-Morrow Gas Pool; and the NE¼ of Section 17 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within said vertical extent. Said unit is to be dedicated to applicant's Foal "17" Fed. Well No. 1, to be drilled at an orthodox location 1980 feet from the North line and 1980 feet from the East line of said Section 17. 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 the risk involved in drilling and the well. Said unit is located approximately 7½ miles north of Loving, New Mexico.