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FAX COVER SHEET

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MEMO: Dave: Enclosed are some proposed findings in Case No. 11751
(the application of NM&O Operating Company for compulsory pooling).

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PROPOSED FINDINGSCase No. 11,751

(1) The applicant has requested an order pooling (a) Prime Energy Company, which owns a record title interest (but no operating rights) in federal lease SF 079332, covering the SW~~1~~SW~~1~~ of Section 26, and (b) Hooper, Kimball & Williams, Inc., which owns a record title interest and overriding royalty interest in federal lease SF 081296, covering the W~~1~~SE~~1~~ and SE~~1~~SE~~1~~ of Section 26.

(2) Neither Prime Energy Company nor Hooper, Kimball & Williams, Inc. are liable for any of the costs of re-completing the subject well. However, federal regulations require record title owners of federal leases to execute communitization agreements.

(3) Prime Energy Company is unlocatable, and Hooper, Kimball & Williams, Inc. has failed to respond to repeated requests to execute the applicant's proposed communitization agreement. As a result, the applicant requests an order pooling these two companies so that the Bureau of Land Management will approve a communitization agreement for the subject well.