

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

SEP 14 PM 12: 11

OIL CONSERVATION DIV.

**IN THE MATTER OF THE APPLICATION  
OF ENRON OIL & GAS COMPANY  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

CASE NO. 12252

**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 the Mississippian Chester formation underlying the E/2 of Section 4, Township 17 South, Range 28 East, in the following described manner: the E/2 forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing including but not necessarily limited to the Undesignated Dog Canyon-Strawn Gas Pool and the Undesignated Southeast Crow Flats-Morrow Gas Pool; the SE/4 forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing; the E/2 SE/4 forming a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing, and the SE/4 SE/4 forming a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing, and in support thereof states:

1. Enron is a working interest owner in the E/2 of Section 4, on which it proposes to drill its Amtrak State Com. Well No. 1 at a standard well location 660 feet from the South and East lines of Section 4 to an approximate total depth of 10,200 feet to test any and all formations from the surface to the base of the Mississippian Chester formation.

2. Enron 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 4.

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 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.

WHEREFORE, Enron Oil & Gas Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 7, 1999 and, after notice and hearing as required by law, the Division enter its order:

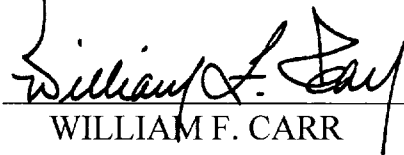
- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Enron Oil & Gas Company operator of these units and the well to be drilled thereon,
- C. authorizing Enron to recover its costs of drilling, equipping and completing the well,

- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by the Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

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

By:



WILLIAM F. CARR

Post Office Box 2208

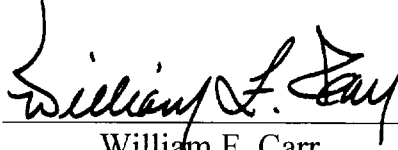
Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR ENRON OIL & GAS  
COMPANY

**CERTIFICATE OF SERVICE**

I hereby certify that on this 14th day of September, 1999, I have caused a copy of this Application to be mailed to James Bruce, Esq., Attorney for Chi Energy, Inc., at Post Office Box 1056, Santa Fe, New Mexico 87504-1056.

  
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William F. Carr

CASE 12292

Application of Enron Oil & Gas Company 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 Mississippian Chester formation underlying the following described acreage in Section 4, Township 17 South, Range 28 East, in the following manner: the E/2 to form a standard 320-acre spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent including the Undesignated Dog Canyon-Strawn Pool and the Undesignated Southeast Crow Flats-Morrow Gas Pool; the SE/4 to form a standard 160-acre spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; for all formations developed on 160-acre spacing; the E/2 SE/4 to form a standard 80-acre spacing and proration unit for any formations and/or pools developed on 80-acre spacing within that vertical extent; and the SE/4 SE/4 to form a standard 40-acre spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent. Applicant proposes to dedicate these pooled units to its Amtrak State Com. Well No. 1 to be drilled at a standard location 660 feet from the South and East lines of said Section 4. Also to be considered will 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 13 miles northwest of Loco Hills, New Mexico.