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September 25, 1989

Mr. William LeMay  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87504

Re: Application of Oryx Energy Company  
for Compulsory Pooling  
Well Name: Scoggin Draw State "C" #1.  
Eddy County, New Mexico

RECEIVED  
SEP 25 1989  
OIL CONSERVATION DIVISION  
Case 9781

Dear Mr. LeMay:

On behalf of Oryx Energy Company please find enclosed our Application for Compulsory Pooling which we would request be set for hearing on the next available Examiner's docket now scheduled for October 13, 1989.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail, return-receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application. In addition, they are advised that the entry of a Compulsory Pooling Order will affect their rights to share in the production from the subject well.

Very truly yours,



W. Thomas Kellahin

WTK/lw  
Encl.

cc: Mr. Charles Gray

Certified Mail Return-Receipt  
all parties listed on Exhibit "A"  
of the Application, w/encl.

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

RECEIVED

SEP 25 1989

IN THE MATTER OF THE APPLICATION OF  
ORYX ENERGY COMPANY  
FOR COMPULSORY POOLING  
EDDY COUNTY, NEW MEXICO

OIL CONSERVATION DIVISION

CASE NO. 9781

A P P L I C A T I O N

COMES NOW, ORYX ENERGY COMPANY, by and through its attorneys, Kellahin, Kellahin & Aubrey and in accordance with Section 70-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interest as follows: From the top of Wolfcamp Formation to base of the Morrow Formation, underlying the E/2 of Section 16, T18S, R27E, Eddy County New Mexico. The above described unit is to be dedicated to its Scoggin Draw State "C" No. 1 Well to be drilled to a depth of approximately 10,100 feet at standard well location in said Section 16, and in support thereof would show:

1. Applicant is working interest owner in the E/2 of Section 16, T18S, R27E.
2. Applicant desires to drill a well at a standard location in Section 16.

3. Applicant has sought a voluntary agreement with all those parties shown on Exhibit "A" for the formation of appropriate spacing and proration unit for the drilling of the subject well, but has been unable to obtain a voluntary agreement
4. The offset operators towards whom the subject well will encroach are set forth on Exhibit "B" attached hereto.
5. Pursuant to the Division notice requirements, applicant has notified all those parties shown on Exhibit "A" of this application for compulsory pooling and the Applicant's request for a hearing before the Division to be set on October 18, 1989.
6. In order to obtain its just and equitable share of the potential production underlying the above tract, Applicant needs an order pooling the mineral interest involved in order to protect Applicant's correlative rights and prevent waste.

WHEREFORE, Applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order approving the pooling the mineral interest described herein. Applicant further prays that it be named operator of the well, and that the order make provisions for Applicant to recover out of production its costs of drilling, completing and equipping the subject well, costs of operation, including costs of supervi-

sion, and a risk factor in the amount of 200% for the drilling and completing of the well, for such other and further relief as may be proper.

Respectfully submitted,

By:

  
W. Thomas Kellahin

Kellahin, Kellahin & Aubrey  
Post Office Box 2265  
Santa Fe, New Mexico 87504

(505) 982-4285

E X H I B I T " A "

Exxon Company, U.S.A. P.O. Box 1600 Midland, TX 79702 - 1600	25%
Chevron, U.S.A., Inc. P.O. Box 1150 Midland, TX 79702	37.5%
Joseph F. Schneider, et al. 2406 Duxbury Place Los Angeles, CA 90034	12.5%