

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P., FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

RECEIVED

Case No.

9816

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OIL CONSERVATION DIVISION

APPLICATION

Santa Fe Energy Operating Partners, L.P., hereby makes application for an order pooling all interests from the surface to the base of the Morrow formation in the N $\frac{1}{2}$ of Section 32, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show:

1. Applicant is a working interest owner in the N $\frac{1}{2}$ of said Section 32.

2. Applicant proposes to drill its Harroun State Com. 32 Well No. 1 in the N $\frac{1}{2}$ of Section 32, at a standard location, to the base of the Morrow formation, and seeks to dedicate the N $\frac{1}{2}$ of Section 32 to the well.

3. Applicant has in good faith sought to join all other mineral interest owners in the N $\frac{1}{2}$ of Section 32 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have refused to join in dedicating their acreage. Therefore, Applicant seeks an order pooling all mineral interest owners

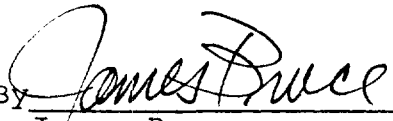
underlying the N $\frac{1}{2}$ of Section 32, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).

5. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.

6. The pooling of all interests underlying the N $\frac{1}{2}$ of Section 32 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Applicant requests that this matter be heard at the November 15, 1989 Examiner hearing.

HINKLE, COX, EATON, COFFIELD &
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2. Applicant proposes to drill its Harroun State Com. 32 Well No. 1 in the N $\frac{1}{2}$ of Section 32, at a standard location, to the base of the Morrow formation, and seeks to dedicate the N $\frac{1}{2}$ of Section 32 to the well.

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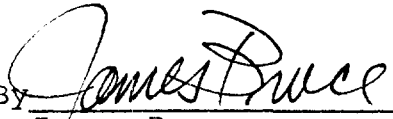
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