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November 3, 1989

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OIL CONSERVATION DIVISION

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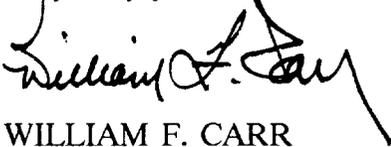
William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Blackwood & Nichols Co., Ltd., for
Compulsory Pooling and a Non-Standard Gas Proration Unit, San Juan
County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the above-referenced Application of Blackwood & Nichols Co.,
Ltd. Blackwood & Nichols respectfully requests that this matter be placed on the docket
for the Examiner hearings scheduled on November 15, 1989.

Very truly yours,


WILLIAM F. CARR

WFC:mtb

Enclosures

cc w/enclosures: Mr. Steve Cromwell
Devon Energy Corporation
1500 Mid-America Tower
Oklahoma City, Oklahoma 73012

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

IN THE MATTER OF THE APPLICATION OF
BLACKWOOD & NICHOLS CO. LTD., FOR
COMPULSORY POOLING AND A NON-
STANDARD GAS PRORATION UNIT,
SAN JUAN COUNTY, NEW MEXICO.

NOV 1978
OIL CONSERVATION DIVISION
CASE NO. 9820

APPLICATION

BLACKWOOD & NICHOLS CO. LTD. ("Applicant"), by its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to Section 70-2-17, N.M.S.A. (1978) for an order pooling all of the mineral interests from the surface to the base of the Fruitland formation, Basin-Fruitland Coal Gas Pool, for any and all formations and/or pools developed on 320-acre spacing underlying a 303.4-acre non-standard coal gas proration unit (E/2 equivalent) of Section 13, Township 30 North, Range 8 West, N.M.P.M., San Juan County, New Mexico, and in support thereof would show the Division:

1. Applicant owns approximately 97.1% of the working interest in and under the 303.4-acre proration unit in the E/2 of Section 13, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its Northeast Blanco Well No. 469 to be located at a previously approved (NSL-2685) non-standard coal gas well location 1315 feet from the North line and 645 feet from the East line of Section 13.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the E/2 of said Section 13 except for the following owners of working interest:

Tonita B. Martinez
718 S. McCormick Road
Farmington, New Mexico 87401

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Saddon M. Asli
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Louis T. Faverino
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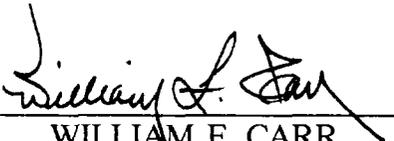
4. Pooling of these interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on November 15, 1989, and that after notice and hearing as required by law, the Division enter its order pooling the interests in this non-standard coal gas proration unit, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well, and making such other and further provisions as may be proper.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 

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Post Office Box 2208
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Telephone: (505) 988-4421

ATTORNEYS FOR BLACKWOOD &
NICHOLS CO. LTD.