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November 7, 1989

HAND-DELIVERED

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

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OIL CONSERVATION DIVISION

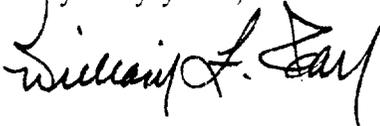
Case 9835

Re: In the Matter of the Application of Grand Production Company for
Compulsory Pooling, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the above-referenced application of Grand Production Company. Grand Production Company respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on November 29, 1989.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: Mr. John Vaughn
Grand Production Company

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

IN THE MATTER OF THE APPLICATION OF
GRAND PRODUCTION COMPANY FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

OIL CONSERVATION DIV.
CASE NO. 9835

APPLICATION

GRAND PRODUCTION COMPANY, by and through its undersigned attorneys, and as provided by Section 70-2-17, N.M.S.A. (1978), hereby makes application to the Oil Conservation Division for an order pooling all of the minerals interests from the surface to the base of the Atoka formation in and under the E/2 SE/4 of Section 10, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns approximately 80.5% of the working interest in and under the E/2 SE/4 of Section 10, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at a standard location in said Section 10, to a depth of approximately 11,600 feet to test all formations to the base of the Atoka formation.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the acreage to be pooled in the E/2 SE/4 of said Section 10, except for the interest owners set forth on Exhibit A to this application.

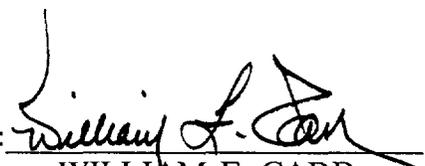
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

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 29, 1989, and that after notice and hearing as required by law, the Division enter its order pooling the lands, 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 in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 

WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR GRAND
PRODUCTION COMPANY

EXHIBIT A

WORKING INTEREST OWNERS TO BE POOLED
E/2 SE/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 37 EAST
LEA COUNTY, NEW MEXICO

<u>OWNER</u>	<u>WORKING INTEREST</u>
John F. Altringer 151 Raintree Trail Jupiter, FL 33458	0.75000%
Stanley G. Budner 17 Guinwood Drive Wilmington, DE 19803	0.75000%
Eugene Fresch 1444 Via Coronel Palos Verdes Estates, CA 90272	1.24950%
Stan Hansen 39 Riverside Avenue Apt. 2B Stanford, CN 06905	0.75000%
Ronald U. Kolb 3900 Dundee Road, #103 Northbrook, IL 60062	0.75000%
Dr. Maurice J. Niebaum 4809 Koral, #3 Las Vegas, NV 89109	0.75000%
Guy G. Stephenson 866 Summer Shade Memphis, TN 38116	0.75000%
J. Paul Wilson 314 Potter Road North Kingston, RI 02852	1.50000%

Virgil C. Witten 1302 Zephyr Plainview, TX 79702	0.75000%
H. J. Zeigenthaler 407 Dellwood Ave. Dayton, OH 45419	0.75000%
Dr. William Fain 285 Governor St. Providence, RI	1.50000%
Estate of Walton E. Frederick 809 W. 45th Street Vanconver, WA 98660	0.75000%
Ronald E. Stepanek 1915 Arnold Topeka, KS 66604	0.75000%