

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

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APR 21 1990

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF PETROLEUM PRODUCTION MANAGEMENT,
INC., FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

CASE NO.

9938

A P P L I C A T I O N

COMES NOW PETROLEUM PRODUCTION MANAGEMENT, INC.,
by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY,
and in accordance with Section 70-2-17(c) N.M.S.A. (1978
Comp.) applies to the New Mexico Oil Conservation Division
for an order pooling all mineral interests from 9790 feet to
9,816 feet, or the bottom of the Bough "C" Pennsylvanian
formation, whichever is deeper, underlying the NW/4NE/4,
Section 14, Township 9 South, Range 34 East, N.M.P.M., Lea
County, New Mexico. The above described acreage is
presently dedicated to the Mounsey No. 1 Well, which is
completed in the Bough "C" Pennsylvanian formation, and
which was shut-in and temporarily abandoned in May 1984.
Said well is located 660 feet from the North line and 1980
feet from the East line, which is a standard location. In
support of this Application, Applicant would show:

1. Applicant has the right drill and develop the NW/4NE/4 of Section 14, T9S, R34E, Lea County, New Mexico.

2. Applicant desires to re-enter and attempt to restore production in the Mounsey No. 1 Well in the Bough "C" Pennsylvanian formation. Said well is at a standard location in the NW/4NE/4 of said section.

3. Applicant has sought the voluntary agreement of the owner of the non-consenting working interest, for the formation of appropriate spacing and proration units, but has been unable to obtain voluntary agreement. The non-consenting working interest owner and his percentage interest is:

Larry Hunnicutt
P.O. Box 1000
Roswell, New Mexico 88201

2.5% working interest

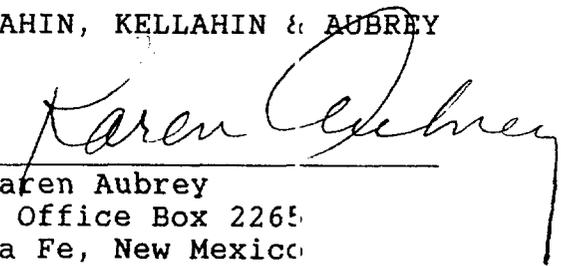
4. Pursuant to the Division's notice requirements, Applicant has notified all working interest owners of this Application for compulsory pooling and the Applicant's request that this matter be set for hearing before the Division on May 16, 1990.

5. In order to obtain its just and equitable share of the hydrocarbons underlying the above tract(s), Applicant needs an order pooling the mineral interests 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 pooling the mineral interests described herein. Applicant further prays that it be named operator of the well, and that the order make provision for Applicant to recover, out of production, its cost of drilling, completing and equipping the subject well, costs of operation, including costs of supervision, and a risk factor in the amount of 200% for the drilling and completing of the well, and for such other and further relief as may be proper.

Respectfully submitted:

KELLAHIN, KELLAHIN & AUBREY

By: 

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