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OF COUNSEL

June 19, 1990

SANTA FE
OIL CONSERVATION DIV

JUN 19 1990

Mr. William J. LeMay
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

RECEIVED

Re: Compulsory Pooling, Sendero Petroleum, Inc.
Re-entry - No. 1 Pronghorn Federal Com

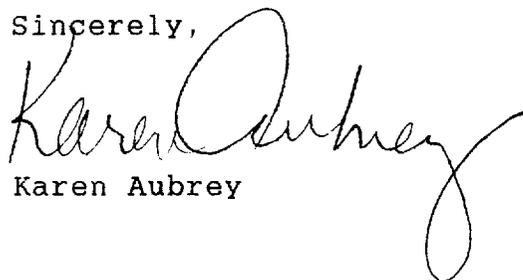
9995

Dear Mr. LeMay:

Enclosed please find the original and one copy of an Application by Sendero Petroleum, Inc. for Compulsory Pooling, Eddy County, New Mexico. Please set this Application for hearing on the Examiner docket on July 11, 1990.

In accordance with N.M.O.C.C. Rule 1207, we are sending all working interest owners listed in this Application a copy of this letter and a copy of the enclosed Application, by certified mail, in order to notify them that they have the opportunity to appear in support of or in opposition to the enclosed Application.

Sincerely,



Karen Aubrey

KA/tic

xc: Kurt Boley
Sendero Petroleum, Inc.
One Wall Plaza Executive Suites
306 West Wall, Suite 1200
Midland, Texas 79701

Certified mail, return receipt

All parties listed in Paragraph 3
of Application

RECEIVED

JUN 19 1990

OIL CONSERVATION DIV.
SANTA FE

STATE OF NEW MEXICO

DEPARTMENT OF ENERGY AND MINERALS

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF SENDERO PETROLEUM, INC. FOR
COMPULSORY POOLING, EDDY COUNTY
NEW MEXICO

CASE NO.

9995

A P P L I C A T I O N

COMES NOW SENDERO PETROLEUM, 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 the surface to the bottom of the Pennsylvanian formation, or 7630 feet (Undesignated Indian Basin Upper Penn Gas Pool), whichever is deeper, underlying Section 8, T21~~Q~~S, R23E, N.M.P.M., Eddy County, New Mexico. The above described acreage is presently dedicated to a well now known as the No. 1 Pronghorn Federal Com. Said well is located 660 feet from the South line and 660 feet from the East line, which will be an unorthodox location in the proposed recompletion zone. Said location was previously approved by the Division in Order NSL2809. In support of this Application, Applicant would show:

1. Applicant has the right drill and develop Section 8, T21S, R23E, Eddy County, New Mexico.

2. Applicant desires to re-enter and recomplete the above described well in the Pennsylvanian formation. Said well is at an unorthodox, but approved, location in said section.

3. Applicant has sought the voluntary agreement of the owners of the nonconsenting working interests, for the formation of appropriate spacing and proration units, but has been unable to obtain voluntary agreement. The nonconsenting working interest owners and their percentage interests are:

William McAlpine	5.792%
Santa Fe Exploration	
P.O. Box 1136	
Roswell, New Mexico 88202	

Warren Group:	.001143%
Connie Joe Warren	
Jesse C. Warren	
G.C. Warren	
Emma Jean Warren	
P.O. Box 1025	
Mineral Wells, TX 76067	

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 July 11, 1990.

5. In order to obtain its just and equitable share of the hydrocarbons underlying the above tract, 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: 
Karen Aubrey
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Santa Fe, New Mexico 87504

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