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**RECEIVED**

August 1, 1990

AUG 01 1990

OIL CONSERVATION DIV.  
SANTA FE

10054

Mr. William J. LeMay  
Oil Conservation Division  
P.O. Box 2208  
Santa Fe, New Mexico 87504

Re: Compulsory Pooling, Pacific Enterprises Oil Company  
(USA) PEOC Federal Com #12-1

Dear Mr. LeMay:

Enclosed please find the original and one copy of an Application by Pacific Enterprises Oil Company (USA) for Compulsory Pooling, Eddy County, New Mexico. Please set this Application for hearing on the examiner docket on August 22, 1990.

In accordance with N.M.O.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  
Enclosure

xc: Craig Clark  
Pacific Enterprises Oil Company (USA)

Certified Return Receipt Requested  
Working interest owners listed in  
Paragraph 3 of Application

*Darrell*  
*5000 / Yes*

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AUG 01 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 PACIFIC ENTERPRISES OIL COMPANY (USA)  
FOR COMPULSORY POOLING, EDDY COUNTY  
NEW MEXICO

CASE NO. 10054

A P P L I C A T I O N

*Shaded on 160 acres*

COMES NOW PACIFIC ENTERPRISES OIL COMPANY (USA), 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 5000 feet below the surface to the top of the Mississippian Chester Limestone formation; Anderson Penn Field, or 11,200 feet, whichever is deeper, underlying the North Half, Section 12, T17S, R29E, N.M.P.M, Eddy County, New Mexico. The above described acreage is to be dedicated to its PEOC Federal Com #12-1 Well to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line of said section, to a depth of approximately 11,200 feet. In support of this Application, Applicant would show:

1. Applicant has the right to drill and develop the N/2 of Section 12, T17S, R29E, Eddy County, New Mexico.

2. Applicant desires to drill a well at a standard location in the N/2 of 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:

Heirs of D. H. Ostrom and Pearl M. Ostrom c/o Joe W. Hayes Culton, Morgan, Brittan & White P.O. Box 189 Amarillo, Texas 79105	12.5000%
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George Gray 5135 South Pacific, Apt. #7 Glendale, California 91104	4.1667%
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E. L. Fulton Leila Fulton Carlsbad, New Mexico 88220	12.5000
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Total non-consenting working interest equals 29.1667%

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 August 22, 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  
Post Office Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

By: 

Karen Aubrey