STATE OF NEW MEXICO

DEPARTMENT OF ENERGY AND MINERALS

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF MERIDIAN OIL INC. FOR
COMPULSORY POOLING
SAN JUAN COUNTY, NEW MEXICO CASE NO. 10172

APPLICATION

COMES NOW, MERIDIAN OIL INC., by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and in accordance with Section 70-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interest in the Basin Fruitland Coal Gas Pool underlying the E/2 of Section 25, T27N, R10W, San Juan County, New Mexico. The above described unit is to be dedicated to its Frost No. 501 to be drilled at standard well location in said Section 25, and in support thereof would show:

1. Applicant is the operator of the E/2 of Section 25 and is a working interest owner in the proposed spacing and proration unit.

2. Applicant desires to drill a well at a standard location in said Section 25, T27N, R10W.

3. Applicant has sought a voluntary agreement with all those parties shown on Exhibit "A" for the formation of appropriate spacing and proration unit for the drilling of the subject well, but has been unable to obtain a voluntary agreement.

4. Pursuant to the Division notice requirements, Applicant has notified all those parties shown on Exhibit "A" of this application for compulsory pooling and the Applicant's request for a hearing before the Division to be set on November 28, 1990.

5. In order to obtain its just and equitable share of the potential production 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 interest described herein. Applicant further prays that it be named operator of the well, and that the order make provisions for Applicant to recover out of production its costs of drilling, completing and equipping the subject well, costs of operation, including costs of supervision, and a risk factor in the amount of 156% for the drilling and completing of the well, for such other and further relief as may be proper.

Respectfully submitted,

KELLAHIN, KELLAHIN & AUBREY

By: ______________________
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EXHIBIT "A"

Hondo Oil & Gas P.O. Box 2208 Roswell, New Mexico 88201	50.0%
Amoco Production Company P.O. Box 800 Denver, Colorado 80201	12.5%
Conoco Inc. One Lakeview Energy Center 3817 NW Expressway Oklahoma City, Oklahoma 73112 Attn: Mr. Ed Slovacek	12.5%