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\*NOT LICENSED IN NEW MEXICO

December 13, 1990

## CERTIFIED MAIL RETURN RECEIPT REQUESTED

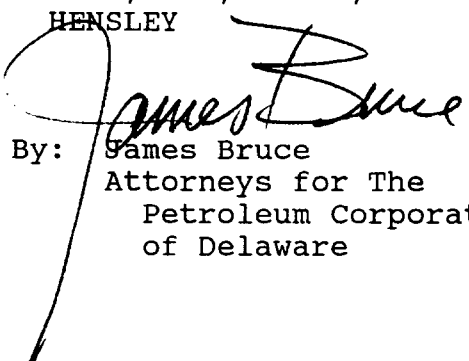
To: Addressees on Exhibit A

Dear Sirs:

Enclosed for your information is a copy of an Application for Compulsory Pooling of the N $\frac{1}{2}$  of Section 1, Township 20 South, Range 29 East, Eddy County, New Mexico, which was filed on behalf of The Petroleum Corporation of Delaware. This Application will be heard by the New Mexico Oil Conservation Division on Thursday, January 10, 1991, at 8:15 a.m., at the Division's offices at 310 Old Santa Fe Trail, Santa Fe, New Mexico 87501. Failure to appear at that time will preclude you from objecting to this matter at a later date.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &  
HENSLEY

By:  James Bruce  
Attorneys for The  
Petroleum Corporation  
of Delaware

JB:le  
Attachment

BEFORE EXAMINER CATANACH	
Petroleum Conservation Division	
10209	EXHIBIT NO. 4
CASE NO. 10209	

EXHIBIT A  
WORKING INTEREST OWNERS  
SUPERIOR FEDERAL NO. 9 WELL

Siete Oil & Gas Corporation  
P. O. Box 2523  
Roswell, New Mexico 80202-2523  
Attention: Mr. Gene Shumate

Ameriplor Corp.  
American Production Partnership, Ltd. III  
American Production Partnership, Ltd. IV  
c/o American Exploration Company  
700 Louisiana Street - Suite 2100  
Houston, Texas 77002-2793  
Attention: Mr. Gary Diamond

Hal S. Dean  
500 West Texas Street  
Suite 1440  
Midland, Texas 79702-4299

Howard C. Warren  
c/o Absolute Ventures, Inc.  
420 Greenbay Road - Suite 103  
Kenilworth, Illinois 60043

Estate of E. J. Rousuck, Deceased  
c/o NCNB-Texas National Bank, Agent  
P. O. Box 83038  
Dallas, Texas 75283-0308  
Attention: Mr. J. D. Jasso

Yates Petroleum Corporation  
Yates Drilling Company  
Abo Petroleum Corporation  
Myco Industries, Inc.  
Yates Building  
105 South Fourth Street  
Artesia, New Mexico 88210  
Attention: Ms. Janet Richardson

David Petroleum Corporation  
116 West First Street  
Roswell, New Mexico 88201  
Attention: Mr. Bill Owen

Colin R. McMillan  
Permian Exploration Corporation  
118 West First Street  
Roswell, New Mexico 88201  
Attention: Mr. Bill Owen

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF THE PETROLEUM CORPORATION  
OF DELAWARE FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

No. \_\_\_\_\_

APPLICATION

The Petroleum Corporation of Delaware hereby applies for an order pooling all interests from the surface to the base of the Morrow formation underlying the N $\frac{1}{2}$  of Section 1, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in the N $\frac{1}{2}$  of said Section 1.

2. Applicant proposes to drill its Superior Fed. No. 9 Well in the N $\frac{1}{2}$  of Section 1, at an orthodox location 1980 feet from the East line and 1,830 feet from the North line of the Section, to a depth sufficient to test the Morrow formation (approximately 12,100 feet), and seeks to dedicate the following acreage to the well:

(a) The N $\frac{1}{2}$  of Section 1 for all pools or formations spaced on 320 acres;

(b) The NE $\frac{1}{4}$  of Section 1 for all pools or formations spaced on 160 acres;

(c) The S $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 1 for all pools or formations spaced on 80 acres; and

(d) The SW $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 1 for all pools or formations spaced on 40 acres.

3. Applicant has in good faith sought to join all other mineral or leasehold interest owners in the N½ of Section 1 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral or leasehold interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their acreage. Therefore, Applicant seeks an order pooling all mineral and leasehold interest owners underlying the N½ of Section 1, as described above, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).

5. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.

6. The pooling of all interests underlying the N½ of Section 1, as described above, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Applicant requests that this matter be heard at the January 10, 1991 Examiner hearing.

WHEREFORE, Applicant requests that the Division  
grant the relief requested above.

Dated: 12/11/90.

Respectfully Submitted,

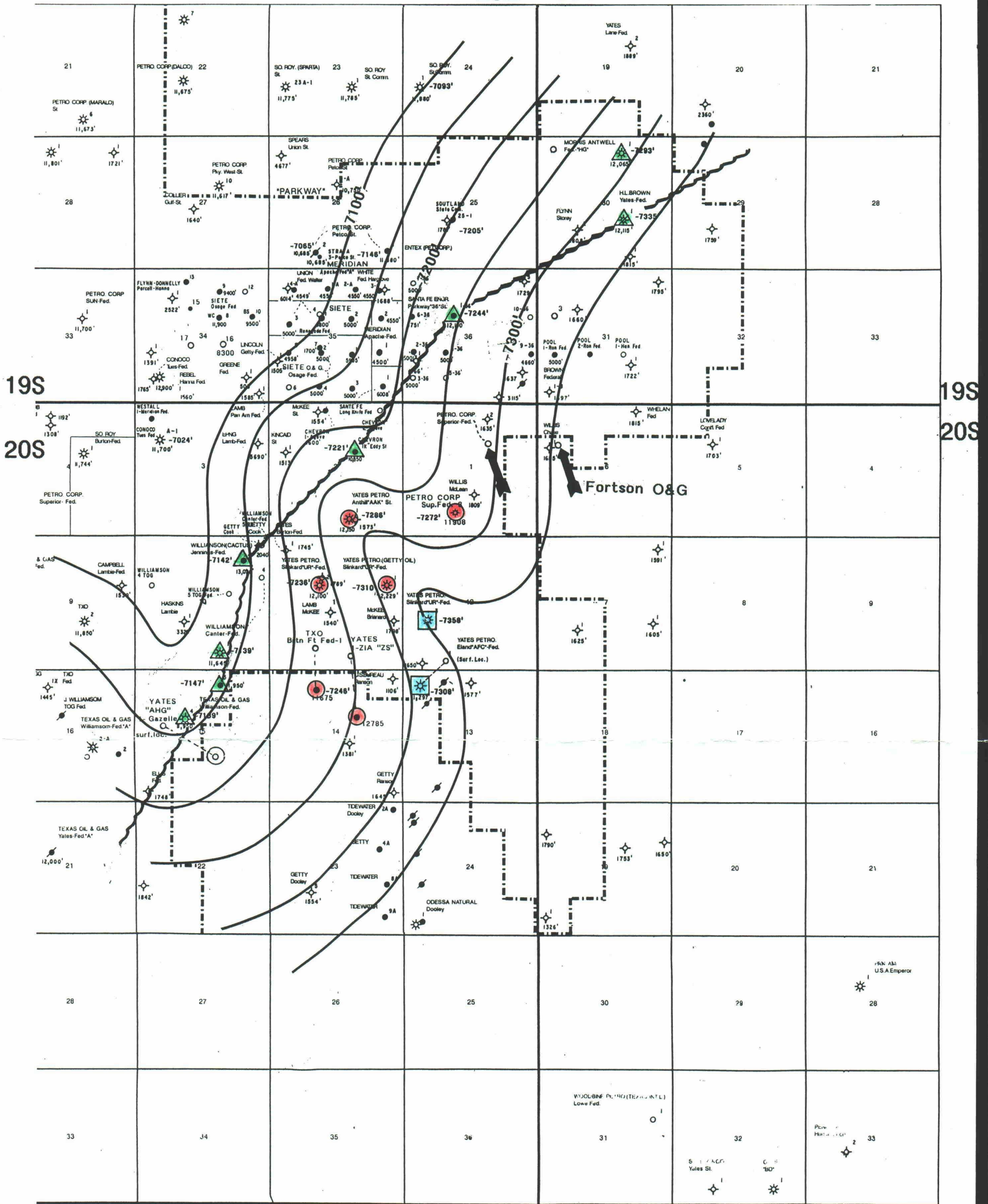
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HENSLEY

By James Bruce  
James Bruce  
500 Marquette, N.W.  
Suite 800  
Albuquerque, New Mexico 87102  
(505) 768-1500

Attorneys for Applicant



29E 30E



29E 30E

CASE NO: 10209 EXHIBIT NO:

- STRAWN POROSITY ABSENT
- STRAWN POROSITY PRODUCTIVE
- STRAWN POROSITY NON-PRODUCTIVE
- CURRENTLY DRILLING WELLS

POTASH MINE  
BOUNDARY



THE PETROLEUM CORPORATION OF DELAWARE  
**EAST BURTON FLAT AREA**  
EDDY COUNTY, NEW MEXICO  
STRUCTURE MAP  
STRAWN CLEAN LIME  
Contour Interval = 50'  
Scale: 1" = 4000' Date: 1/4/91

BEFORE EXAMINED CATANACH

OIL CONSERVATION DIVISION  
*Petro. Corp.* EXHIBIT NO. 5  
CASE NO. 10209