

**KELLAHIN, KELLAHIN AND AUBREY**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285  
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W. THOMAS KELLAHIN  
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN  
OF COUNSEL

January 2, 1991

**RECEIVED**

JAN - 2 1991

OIL CONSERVATION DIV.  
SANTA FE

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

Re: Application of Hanley Petroleum Inc.  
for Compulsory Pooling, Lea County,  
New Mexico

Dear Mr. LeMay:

On behalf of Hanley Petroleum Inc., we would appreciate you setting the enclosed application for a public hearing on the Division's Examiner's docket now scheduled for January 24, 1991.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application. Those parties are directed to file a pre-hearing statement with the Division and send a copy to the undersigned not later than 4:00 PM on January 18, 1991.

In addition, these potential parties are advised that the entry of a compulsory pooling order will affect their rights to share in the production from the subject well.

Very truly yours,

  
W. Thomas Kellahin

WTK/tic  
Enclosures

Mr. William J. LeMay  
January 2, 1991  
Page 2

cc: James Bruce, Esq.  
Hinkle, Cox, Eaton, Coffield & Hensley  
500 Marquette, N.W.  
Albuquerque, New Mexico 87102

William F. Carr, Esq.  
Campbell & Black, P.A.  
Post Office Box 2208  
Santa Fe, New Mexico 87504

cc: Certified mail return receipt  
Santa Fe Energy Operating Partners, LP  
550 West Texas, Suite 1330  
Midland, Texas 79701

Harvey E. Yates Company  
P. O. Box 1933  
Roswell, New Mexico 88202

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

**RECEIVED**

JAN - 2 1991

OIL CONSERVATION DIV.  
SANTA FE

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

NO. 10219

A P P L I C A T I O N

COMES NOW HANLEY PETROLEUM INC. by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for an order pooling all mineral interest from the surface to the base of the Wolfcamp formation underlying the following described acreage in Section 8, Township 18 South, Range 33 East, N.M.P.M., Lea County, New Mexico in the following manner:

The W/2NW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated South Corbin-Wolfcamp Pool.

In support thereof, Applicant states:

1. Applicant is the working interest owner in the NW/4NW/4 of Section 8, T18S, R33E, N.M.P.M., Lea County, New Mexico.

2. Applicant desires to drill a well at a standard location 1980 feet from the North line and 660 feet from the West line of said Section 8.

3. Applicant is informed and believes that the working interest/mineral owners entitled to participate in and pay for the costs of the subject well are as shown on Exhibit "A" attached hereto.

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

5. Pursuant to the Division notice requirements, applicant has notified all those parties shown on Exhibit "A" of this application for compulsory pooling and its request for a hearing on January 24, 1990 by sending those parties a copy of this application and cover letter.

6. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral

interest 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, that the  
order make provisions for applicant to recover out of  
production its costs of drilling, completing and  
equipping it, and costs of operation, including costs  
of supervision and a risk factor in the amount to be  
determined by the Division for the drilling and  
completion of the well and for such other and further  
relief as may be proper.

Respectfully submitted,

KELLAHIN, KELLAHIN & AUBREY

By: 

W. Thomas Kellahin  
Post Office Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

EXHIBIT "A"

Santa Fe Energy Operating Partners, LP  
550 West Texas, Suite 1330  
Midland, Texas 79701  
Attn: Larry Murphy

Harvey E. Yates Company  
P. O. Box 1933  
Roswell, New Mexico 88202  
Attn: Shari Darr

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN  
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN  
OF COUNSEL

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

February 12, 1991

RECEIVED

FEB 12 1991

OIL CONSERVATION DIV.  
SANTA FE

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

Re: First Amended Application of Hanley Petroleum Inc.  
for Compulsory Pooling, Lea County, New Mexico  
NMOCD Case No. 10219

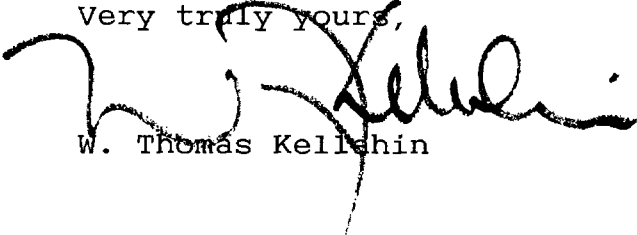
Dear Mr. LeMay:

On behalf of Hanley Petroleum Inc., we would appreciate you setting the enclosed First Amended Application for a public hearing on the Division's Examiner's docket now scheduled for March 7, 1991.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application. Those parties are directed to file a pre-hearing statement with the Division and send a copy to the undersigned not later than 4:00 PM on March 1, 1991.

In addition, these potential parties are advised that the entry of a compulsory pooling order will affect their rights to share in the production from the subject well.

Very truly yours,

  
W. Thomas Kellahin

WTK/tic  
Enclosures

Mr. William J. LeMay  
February 12, 1991  
Page 2

cc: James Rogers  
Hanley Petroleum Inc.  
415 West Wall, Suite 1500  
Midland, Texas 79701

James Bruce, Esq.  
Hinkle, Cox, Eaton, Coffield & Hensley  
500 Marquette, N.W.  
Albuquerque, New Mexico 87102

William F. Carr, Esq.  
Campbell & Black, P.A.  
Post Office Box 2208  
Santa Fe, New Mexico 87504

cc: Certified mail return receipt  
Santa Fe Energy Operating Partners, LP  
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Midland, Texas 79701

Harvey E. Yates Company  
P. O. Box 1933  
Roswell, New Mexico 88202

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STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

FEB 12 1991  
OIL CONSERVATION DIV.  
SANTA FE

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

NO. 10219

FIRST AMENDED  
A P P L I C A T I O N

COMES NOW HANLEY PETROLEUM INC. by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for an order pooling all mineral interest from the top of the Wolfcamp to the base of the Wolfcamp formation underlying the following described acreage in Section 8, Township 18 South, Range 33 East, N.M.P.M., Lea County, New Mexico in the following manner:

The W/2NW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated South Corbin-Wolfcamp Pool.

In support thereof, Applicant states:

1. Applicant is the working interest owner in the NW/4NW/4 of Section 8, T18S, R33E, N.M.P.M., Lea County, New Mexico.

2. Applicant desires to drill a well at a standard location in the NW/4NW/4 of said Section 8.

3. Applicant is informed and believes that the working interest/mineral owners entitled to participate in and pay for the costs of the subject well are as shown on Exhibit "A" attached hereto.

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

5. Pursuant to the Division notice requirements, applicant has notified all those parties shown on Exhibit "A" of this application for compulsory pooling and its request for a hearing on March 7, 1991 by sending those parties a copy of this application and cover letter.

6. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral

interest 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  
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equipping it, and costs of operation, including costs  
of supervision and a risk factor in the amount to be  
determined by the Division for the drilling and  
completion of the well and for such other and further  
relief as may be proper.

Respectfully submitted,

KELLAHIN, KELLAHIN & AUBREY

By: 

W. Thomas Kellahin  
Post Office Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

EXHIBIT "A"

Santa Fe Energy Operating Partners, LP 25%  
550 West Texas, Suite 1330  
Midland, Texas 79701  
Attn: Larry Murphy

Harvey E. Yates Company 25%  
P. O. Box 1933  
Roswell, New Mexico 88202  
Attn: Shari Darr

\* Hanley Petroleum Inc owns 50% WI.