

CAMPBELL, BYRD & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
KEMP W. GORTHEY
J. SCOTT HALL
PETER N. IVES

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 26, 1984

HAND DELIVERED

Mr. Joe D. Ramey, Director
Oil Conservation Division
New Mexico Department of
Energy & Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 8203

RECEIVED

APR 26 1984

OIL CONSERVATION DIVISION

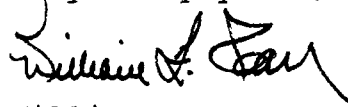
Re: Application of HNG Oil Company for Compulsory
Pooling, Lea County, New Mexico.

Dear Mr. Ramey:

Enclosed in triplicate is the Application of HNG Oil Company
in the above-referenced case. We respectfully request that this
matter be included on the docket for the examiner hearing
scheduled for June 6, 1984.

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

WFC/cv
enclosures

cc: Mr. Craig Duke

BEFORE THE
OIL CONSERVATION DIVISION

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APR 26 1984

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF HNG OIL COMPANY FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

Case 8203

APPLICATION

Comes now, HNG Oil Company, by and through its undersigned attorneys and, as provided by Section 70-2-17, New Mexico Statutes Annotated, 1978 Compilation, hereby makes application for an order pooling all of the mineral interests in the Pennsylvanian formations in and under the S/2 of Section 19, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or controls 53.125% of the working interest in and under the S/2 of Section 19, and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to its Madera 19 Federal Com. No. 1 Well to be drilled at an orthodox location 660 feet from the South line and 1980 feet from the East line of said Section 19.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other working interest owners in the S/2 of said Section 19 except Robert E. Landreth, 505 North Big Springs, Energy Square, Suite 507, Midland, Texas 79701, owner of a 21.875% working interest.

4. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

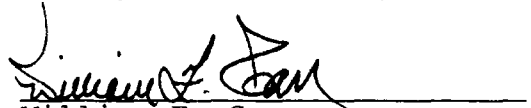
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

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 lands, including provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, and its costs of supervision while drilling, and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, and making such other further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By



William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
(505) 988-4421

ATTORNEYS FOR HNG OIL COMPANY