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February 4, 1985

RECEIVED

Mr. Richard L. Stamets
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

OIL CONSERVATION DIVISION

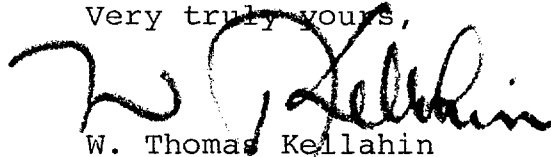
Re: Chaveroo Operating Co., Inc.
Forced Pooling
T7S, R32E
Section 25: NW/4NW/4

Case 8497

Dear Mr. Stamets:

Please set the enclosed application for hearing
on the next available Examiner docket now set for
February 27, 1985.

Very truly yours,


W. Thomas Kellahin

WTK:ca
Enc.

cc: Chaveroo Operating Company
ATTN: Mr. John Medairy
4800 San Felipe, Suite 620
Houston, Texas 77056

Verna Corporation (Certified Mail)
Suite 300
1800 Bering Drive
Houston, Texas 77057

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

RECEIVED

OIL CONSERVATION DIVISION

IN THE MATTER OF THE
APPLICATION OF CHAVEROO
OPERATING CO., INC., FOR
COMPULSORY POOLING,
ROOSEVELT COUNTY, NEW MEXICO.

CASE: 8497

A P P L I C A T I O N

Comes now Chaveroo Operating Company, Inc., and applies to the Oil Conservation Division of New Mexico for an order pooling all mineral interests from the surface to 4,400 feet underlying the NW/4NW/4 of Section 25, Township 7 South, Range 32 East, NMPM, Roosevelt County, New Mexico, for the formation of a proration and spacing unit for the said production and in support thereof would show the Division:

1. Applicant is an owner of the right to drill and develop the NW/4NW/4 of Section 25, Township 7 South, Range 32 East, NMPM.

2. Applicant proposes to drill a well to test the San Andres Formation at a standard location and to dedicate the NW/4NW/4 of said Section to the well.

3. Applicant has sought to obtain the cooperation of all parties.

4. In order to obtain their just and equitable share of the production underlying the above lands, Applicant needs an order pooling the mineral interest involved.

5. Those who have not consented to join in the drilling of the well, with their addresses, to the best of applicant's information and belief, are as follows:

Verna Corporation
1800 Bering Drive, Suite 300
Houston, Texas 77057
4.375% WI

6. The parties named in paragraph 5 above have been furnished a copy of this application.

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 the order make provisions for applicant to recover out of production its costs of drilling the subject well, completing and equipping it, costs of operation, including costs of supervision and a risk factor in the amount of 200% for the drilling of the well, for such other and further relief as may be proper.

Respectfully submitted:

Original signed by
W. THOMAS KELLAHIN
By _____
W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87501