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April 1, 1985

Oil Conservation Division

APR 1 1985

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

Re: Pennzoil Company

Case 8281

Dear Mr. Stamets:

Please set the enclosed forced pooling application against ARCO for hearing at the next available examiner hearing now set for April 24, 1985.

Very truly yours,



W. Thomas Kellahin

WTK:ca  
Enc.

cc: Mr. Kenneth Medlock  
Pennzoil Company  
P. O. Box 1828  
Midland, Texas 79701

ARCO  
Attn: Mike Snyder  
P. O. Box 1610  
Midland, Texas 79701

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

APR 1 1985

IN THE MATTER OF THE  
APPLICATION OF PENNZOIL  
COMPANY FOR COMPULSORY  
POOLING LEA COUNTY,  
NEW MEXICO

CASE: 8591

A P P L I C A T I O N

Comes now Pennzoil Company and applies to the Oil Conservation Division of New Mexico for an order pooling all mineral interests from the to the base of the Pennsylvanian formation in the W/2 of Section 36, Township 16 South, Range 34 East, NMPM, Lea County, New Mexico, for the formation of a standard 320 acre gas proration and spacing unit and in support thereof would show the Commission:

1. Applicant is an owner of the right to drill and develop the W/2 of Section 36, Township 16 South, Range 34 East, NMPM, and desires to form a unit to drill a gas well to test the Atoka Formation.

2. Applicant proposes to drill a well to test the Pennsylvanian at a location in the W/2 of Section 36, 990' FSL and 660' FWL as set forth in Division Case 8499 heard on February 27, 1985.

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 follow:

<u>NAME/ADDRESS</u>	<u>INTEREST</u>
ARCO P. O. Box 1610 Midland, Texas 79701	E/2 NW/4

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 interests from the top of the Wolfcamp to the base of the Pennsylvanian formation in the W/2, all in Section 36, T16S, R34E, NMPM, Lea County, New Mexico. 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 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,

Pennzoil Company

By 

W. Thomas Kellahin  
Kellahin & Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87501

Attorneys for Applicant