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

RECEIVED

AUG 2 , 1985

IN THE MATTER OF THE APPLICATION OF JEROME P. McHUGH FOR COMPULSORY POOLING, SAN JUAN COUNTY, NEW MEXICO.

CIL CONSERVATION DIVISION

CASE: 8700

## APPLICATION

Comes now JEROME P. McHUGH and applies to the Oil Conservation Division of New Mexico for an order pooling all mineral interests in the Dakota formation underlying the N/2 of Section 29, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico, for the formation of a Dakota spacing and proration unit and in addition for the pooling of the NE/4 for the formation of a 160-acre spacing and proration unit in the event of production from a formation or pool that requires 160-acre dedication, and in support thereof would show the Commission:

- Applicant has a right to drill and develop the Dakota formation underlying the N/2 of Section 29, Township 31 North, Range 13 West, NMPM.
- 2. Applicant proposes to drill a Dakota well at a standard location in the SW/4SE/4 of said Section 29.
- 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:

Veryl F. Moore 2605 Highland Place Farmington, New Mexico 87401 40 acres NE/4NE/4

6. The party named in paragraph 5 above has 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 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,

Jerome P. McHugh

W. Thomas Kellahin