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October 31, 1985

*Case 8766*

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OIL CONSERVATION DIVISION

*Case 8766*

R. L. Stamets, Director  
Oil Conservation Division  
New Mexico Department of  
Energy and Minerals  
State Land Office Building  
Santa Fe, New Mexico 87501

Re: Application of Reading & Bates Petroleum Corporation  
for Compulsory Pooling, Rio Arriba County, New Mexico.

Dear Mr. Stamets:

Enclosed in triplicate is the Application of Reading & Bates Petroleum Corporation in the above-referenced case. Reading & Bates Petroleum Corporation respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on November 21, 1985.

Very truly yours,

  
J. Scott Hall

JSH/cv  
enclosures

cc: (w/enclosure)  
Mr. Bud Scott

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION  
OF READING & BATES PETROLEUM  
CORPORATION FOR COMPULSORY POOLING,  
RIO ARRIBA COUNTY, NEW MEXICO.

Case 8766

APPLICATION

Comes now, READING & BATES PETROLEUM CORPORATION, by and through its undersigned attorneys and, as provided by Section 70-2-17, N.M.S.A. (1978), hereby makes application for an order pooling all of the mineral interests in the Mancos-Dakota formations in and under the E/2 of Section 15, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 93.75% of the working interest in and under the E/2 of Section 15, and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location in the SW/4 of the SE/4 of said Section 15.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the E/2 of said Section 15, except for Mountain States Natural Gas Corporation (Mr. Albert J. Blair), the owner of a 6.25% mineral interest, who may be found at one or all of the following addresses:

Post Office Box 35426  
Tulsa, Oklahoma 74135

c/o Coventry Homes, Inc.  
9904 South 67th East Place  
Tulsa, Oklahoma 74133

6333 South Richmond  
Tulsa, Oklahoma 74133

c/o W. T. Kellahin, Esq.  
Post Office Box 2265  
Santa Fe, New Mexico 87501

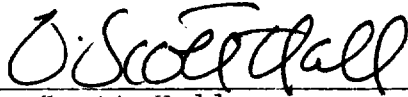
4. Said pooling of interests and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

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 interests 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 a duly appointed Examiner of the Oil Conservation Division on November 21, 1985, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for applicant to recover its costs of drilling, equipping and completing the well, 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, approving the location of the well as proposed by applicant, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By   
\_\_\_\_\_  
J. Scott Hall  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
(505) 988-4421

ATTORNEYS FOR READING & BATES  
PETROLEUM CORPORATION