

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

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WILLIAM B. BURFORD\*  
RICHARD E. OLSON  
RICHARD A. SIMMS  
DEBORAH NORWOOD\*  
RICHARD R. WILFONG\*  
STEVEN D. ARNOLD  
JAMES J. WECHSLER  
NANCY S. CUSACK

JEFFREY D. HEWETT\*  
JAMES BRUCE  
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MICHAEL F. MILLERICK  
GREGORY J. NIBERT  
JUDY M. MOORE\*  
DAVID T. MARKETTE\*  
BRUCE R. ROGOFF  
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DONALD R. FENSTERMACHER  
DAVID B. GROCE\*  
ROBERT M. BRISTOL  
MACDONNELL GORDON  
REBECCA J. NICHOLS  
PAUL R. NEWTON

JEFFREY L. FORNACIARI

OF COUNSEL  
ROY C. SNOODGRASS, JR.  
O. M. CALHOUN  
MACK EASLEY

CLARENCE E. HINKLE (1901-1985)  
W. E. BONDURANT, JR. (1913-1973)  
ROBERT A. STONE (1105-1981)

\*NOT LICENSED IN NEW MEXICO

January 30, 1986

R. L. Stamets, Director  
New Mexico Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87504

*M.S.*

Re: Three Applications of the Petroleum  
Corporation of Delaware for Compulsory  
Pooling:  
Case No. 8819, SE $\frac{1}{4}$ SW $\frac{1}{4}$  § 12;  
Case No. 8827, NE $\frac{1}{4}$ SW $\frac{1}{4}$  § 12;  
Case No. 8828, SW $\frac{1}{4}$ NW $\frac{1}{4}$  § 12;  
All in Township 26 South, Range  
29 East, N.M.P.M., Eddy County,  
New Mexico.

Dear Mr. Stamets:

Case No. 8819 is set for the Examiner hearing on February 5, 1986. The Petroleum Corporation of Delaware hereby requests that Case No. 8819 be continued to the February 19, 1986 Examiner hearing. The Applicant also requests that all three cases be consolidated for hearing on February 19, 1986 due to the similarity in geological and land testimony which will be presented for the cases.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

*James Bruce*  
James Bruce

JGB:jr

cc: Mr. Fred Davidson, Nu-Energy Oil & Gas, Inc. (Cert. Mail)  
Mr. Fred Ward, The Petroleum Corporation of Delaware  
Jeffrey D. Hewett, Esq.

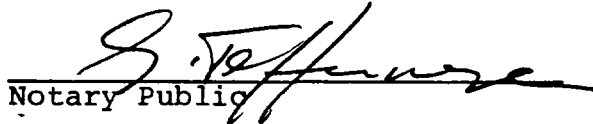
COUNTY OF VANCOUVER )  
 ) ss.  
PROVINCE OF BRITISH COLUMBIA )

CERTIFICATE OF SERVICE

I hereby certify that on the 11th day of March, 1986, I personally served a copy of the letter attached to this Certificate to Mr. Fred Davidson, an employee of Nu-Energy Oil & Gas, Inc., 171 West Esplanade Street, Suite 500, North Vancouver, British Columbia.

  
LLOYD HAMMERMASTER

SUBSCRIBED AND SWORN TO before me this 17<sup>th</sup> day of March, 1986, by LLOYD HAMMERMASTER.

  
Notary Public

My Commission Expires:

n/a

HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX  
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JEFFREY L. FOMACIARI  
JEFFREY D. HEWETT\*

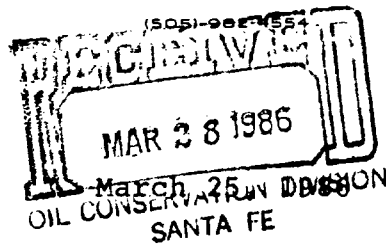
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WILLIAM R. JOHNSON\*

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OF COUNSEL  
ROY C. SMOOGRASS, JR.  
O. M. CALAJUN  
MACK EASLEY  
JOE W. WOOD

CLARENCE E. HINKLE (1904-1985)  
W. E. BONDURANT, JR. (1913-1973)  
ROBERT A. STONE (1905-1984)

\*NOT LICENSED IN NEW MEXICO

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87504

Re: Three Applications of the Petroleum  
Corporation of Delaware for Compulsory  
Pooling:  
Case No. 8819 (SE $\frac{1}{4}$ SW $\frac{1}{4}$  § 12);  
Case No. 8827 (NE $\frac{1}{4}$ SW $\frac{1}{4}$  § 12);  
Case No. 8828 (SW $\frac{1}{4}$ NW $\frac{1}{4}$  § 12);  
All in Township 26 South, Range 29  
East, N.M.P.M., Eddy County, New Mexico

Dear Mr. Stogner:


The above cases were heard on February 19, 1986. The sole force-pooler is Nu-Energy Oil & Gas, Inc. of Vancouver, British Columbia, Canada. Although various notices were sent to Nu-Energy, apparently none were ever sent by certified mail. Therefore, I wrote a letter dated March 4, 1986, notifying Nu-Energy of the February 19 hearings, and requesting Nu-Energy to notify the OCD of any objections it had to the compulsory pooling hearings. This letter was hand delivered to Nu-Energy on March 11, 1986, as evidenced by the original Certificate of Service and invoice enclosed herewith.

If Nu-Energy has not voiced any objection to the above cases by now, we respectfully request that the OCD enter its orders in the above cases.

Please call me if you have any questions.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

  
James Bruce

JGB:jr  
Enclosures

# HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

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W. E. BONDURANT JR. (1913-1973)  
ROBERT A. STONE (1905-1982)

\*NOT LICENSED IN NEW MEXICO

March 4, 1986

Mr. Fred Davidson  
Nu-Energy Oil & Gas, Inc.  
171 West Esplanade Street, Suite 500  
North Vancouver  
British Columbia, Canada V7M 1A1

Re: Three applications of The Petroleum  
Corporation of Delaware for compulsory  
pooling, Eddy County, New Mexico, U.S.A.

Dear Mr. Davidson:

The records of The Petroleum Corporation of Delaware indicate that Nu-Energy Oil & Gas, Inc. owns an undivided 2.5% oil and gas leasehold interest in the following described property:

the SE $\frac{1}{4}$ SW $\frac{1}{4}$  § 12;  
the NE $\frac{1}{4}$ SW $\frac{1}{4}$  § 12; and  
the SW $\frac{1}{4}$ NW $\frac{1}{4}$  § 12;

All in Township 26 South, Range 29 East,  
N.M.P.M., Eddy County, New Mexico, U.S.A.

During the past several months Mr. Fred Ward of The Petroleum Corporation of Delaware has been in contact with you regarding committing these interests to the drilling of oil wells on the described land. However, Nu-Energy has refused to commit its interests.

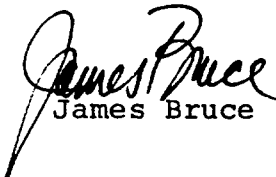
As a result, The Petroleum Corporation of Delaware filed three applications for compulsory pooling with the New Mexico Oil Conservation Division. Copies of these applications are enclosed. These cases were consolidated for hearing and were heard on February 19, 1986, as indicated by my letter of January 30, 1986, (copy enclosed), a copy of which was sent to you.

Mr. Fred Davidson  
March 4, 1986  
Page 2

Please notify the New Mexico Oil Conservation Division (Attention: Mr. Michael Stogner), P. O. Box 2088, Santa Fe, New Mexico 87501 U.S.A. of any objections you may have regarding the hearings on these three applications. Please make your objections in writing within 10 days of receiving this letter.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

  
James Bruce

JGB:jr  
Enclosures

cc: Mr. Fred Ward, w/o enc.  
Jeffrey D. Hewett w/o enc.

CC: LS  
MS  
BS

HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX  
PAUL W. EATON  
CONRAD E. COFFIELD  
NAROLD L. HENSLEY, JR.  
STUART D. SHANOR  
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JEFFREY L. FORNACIARI

January 30, 1986

OF COUNSEL  
ROY C. SNOODGRASS, JR.  
O. M. CALHOUN  
MACK EASLEY

CLARENCE E. HINKLE 1908-1988  
W. E. BONOURANT, JR. 1913-1978  
ROBERT A. STONE 1909-1988

\*NOT LICENSED IN NEW MEXICO

R. L. Stamets, Director  
New Mexico Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87504

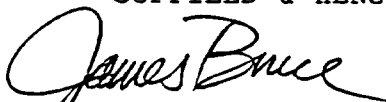
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Case No. 8828, SW $\frac{1}{4}$ NW $\frac{1}{4}$  § 12;  
All in Township 26 South, Range  
29 East, N.M.P.M., Eddy County,  
New Mexico.

Dear Mr. Stamets:

Case No. 8819 is set for the Examiner hearing on February 5, 1986. The Petroleum Corporation of Delaware hereby requests that Case No. 8819 be continued to the February 19, 1986 Examiner hearing. The Applicant also requests that all three cases be consolidated for hearing on February 19, 1986 due to the similarity in geological and land testimony which will be presented for the cases.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

  
James Bruce

JGB:jr

FEB 05 1986

cc: Mr. Fred Davidson, Nu-Energy Oil & Gas, Inc. (Cert. Mail).  
Mr. Fred Ward, The Petroleum Corporation of Delaware  
Jeffrey D. Hewett, Esq.

# V.I.P. Security Agencies Inc.

CENTRAL INVESTIGATION SERVICES

STE. 200 - 640 W. BROADWAY, VANCOUVER, B.C. V5Z 1G4 874-9111

HINKLE, COX, EATON, COFFIELD & HENSLEY

DATE: March 14, 1986

218 Montezuma

NO: 0830 / 0347

Post Office Box 2068, Santa Fe, New Mexico

ATTN: James Bruce

RE: Mr. Fred Davidson/Service

---

## INSTRUCTIONS:

Serve original letter with attachments

---

## PARTICULARS OF SERVICE:

ON: MR. FRED DAVIDSON

AT: #500 - 171 West Esplanade, North Vancouver, B.C. Nu-Energy Oil & Gas

ON: Tuesday, March 11, 1986

AT: 11:30 a.m.

25 kms x \$.40/km

SERVICE FEE: \$12.00

AFFIDAVIT FEE:

MILEAGE FEE: \$10.00

FILING FEE:

LOCATE FEE:

TOTAL: \$22.00

BEFORE THE OIL CONSERVATION DIVISION  
OF THE ENERGY AND MINERALS DEPARTMENT

STATE OF NEW MEXICO

APPLICATION OF THE PETROLEUM )  
CORPORATION OF DELAWARE FOR )  
COMPULSORY POOLING, EDDY COUNTY, )  
NEW MEXICO )

#8819

AMENDED  
APPLICATION

The Petroleum Corporation of Delaware, by its undersigned attorneys, hereby makes application for an Order pooling all interests underlying the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 12, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico for all depths from 3,500 feet beneath the surface of the earth down to 5,600 feet beneath the surface of the earth, and in support thereof would show:

1. Applicant was entitled to proceed with the drilling of a well located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 12, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, under the authority of Applicant's ownership of an oil and gas leasehold interest therein.

2. Applicant has drilled its well at a legal location in said SE $\frac{1}{4}$ SW $\frac{1}{4}$  Section 12, to a depth of 5,500 feet to test the Cherry Canyon Formation. Applicant completed its well as a producing oil well on November 2, 1985. Applicant requested the party listed on the attached schedule as owner of an undivided interest to agree to participate in the drilling of said well or to farmout or otherwise commit their interest to said well, but the party so far has refused to do so.

3. Applicant seeks that the Division consider the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charge for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

4. The pooling of all interests in SE $\frac{1}{4}$ SW $\frac{1}{4}$  Section 12, for all depths from 3,500 feet beneath the surface of the earth down to 5,600 feet beneath the surface of the earth, is in the interest of conservation and will prevent waste and protect correlative rights.

5. Applicant respectfully requests the setting of this matter before an Examiner at the first available hearing.



Dated this 7th day of January, 1986.

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

By: 

Conrad E. Coffield  
Post Office Box 3580  
Midland, Texas 79702

Attorneys for The Petroleum  
Corporation of Delaware

SCHEDULE

UNCOMMITTED RECORD TITLE OWNER

Township 26 South, Range 29 East, N.M.P.M.  
Eddy County, New Mexico

Section 12: SE $\frac{1}{4}$ SW $\frac{1}{4}$

<u>Name and Address*</u>	<u>Percentage of Record Title Interest</u>
Nu-Energy Oil & Gas, Inc. 1217 East Fourth Street North Vancouver British Columbia V7J 1G8	
Attention: Mr. Fred Davidson	2.5%

- \* The address shown is the result of applicant's extensive search for the whereabouts of the above-named party and represents the last known address pursuant to the best information now available. Applicant has actually located the above-named party and repeatedly requested that the party participate in drilling or commit its interest but the party has consistently refused.



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

**TONY ANAYA**  
GOVERNOR

April 21, 1936

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Mr. James Lruce  
Hinkle, Cox, Eaton,  
Coffield & Hensley  
Attorneys at Law  
Post Office Box 2068  
Santa Fe, New Mexico

Re: CASE NO. 3219  
ORDER NO. R-6200

Applicant:

The Petroleum Corporation of Delaware

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

*B. L. Lamb*

R. L. STAMETS  
Director

RLS / fċ.

Copy of order also sent to:

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

Other \_\_\_\_\_