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*NOT LICENSED IN TEXAS

January 14, 1985

Case 8828

Ms. Florene Davidson
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: The Petroleum Corporation of
Delaware -- Applications for
Compulsory Pooling, Eddy
County, New Mexico

Dear Florene:

Enclosed herewith you will find, executed in triplicate, the following Applications:

- (a) Application for Compulsory Pooling in SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 12, Township 26 South, Range 29 East, Eddy County, New Mexico; and
- (b) Application for Compulsory Pooling in NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 12, Township 26 South, Range 29 East, Eddy County, New Mexico.

We are simultaneously transmitting copies of these applications to Nu-Energy Oil & Gas, Inc. by registered mail.

We request that these matters be set on the first available docket for hearing by an Examiner. If anything additionally is

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JAN 15 1985
OIL CONSERVATION DIVISION

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needed in order to complete the filing for this case, please call me or James Bruce in our office in Santa Fe.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY



Conrad E. Coffield

CEC:cl

copies: The Petroleum Corporation
of Delaware
3811 Turtle Creek, Suite 350
Dallas, Texas 75219
Attn: Mr. Fred Ward

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

Mr. James Bruce
Hinkle, Cox, Eaton, Coffield & Hensley
Post Office Drawer 2068
Santa Fe, New Mexico 87504

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)

Case §§ 18

APPLICATION

The Petroleum Corporation of Delaware, by its undersigned attorneys, hereby makes application for an Order pooling all interests underlying the SW $\frac{1}{4}$ NW $\frac{1}{4}$ 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 is entitled to proceed with the drilling of a well located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ 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 intends to drill its well at a legal location in said SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 12, to a depth of 5,500 feet to test the Cherry Canyon Formation. Applicant has 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.

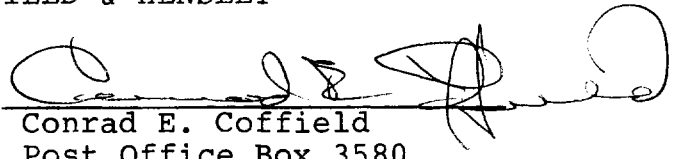
4. The pooling of all interests in SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 12, for all depths from 3,500 feet beneath the surface of the earth down to 5,600 feet beneath the surface of the earth, is in the interest of conservation and will prevent waste and protect correlative rights.

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

Dated this 14th day of January 1986.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By:

A handwritten signature in black ink, appearing to read 'Conrad E. Coffield', written over a horizontal line. The signature is stylized and includes a large loop at the end.

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: SW $\frac{1}{4}$ NW $\frac{1}{4}$

| <u>Name and Address</u> | <u>Percentage of Record Title Interest</u> |
|--|--|
| Nu-Energy Oil & Gas, Inc. 171 West Esplanade Street, Suite 500 North Vancouver British Columbia V7M 1A1 | |
| Attention: Mr. Fred Davidson | 2.5% |