

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS

GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

March 11, 1986

Case 8569

RECEIVED

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OIL CONSERVATION DIVISION

HAND DELIVERED

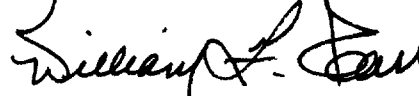
R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
State Land Office Building
Santa Fe, New Mexico 87501

Re: Application of Texaco Producing, Inc. for Compulsory
Pooling, Lea County, New Mexico.

Dear Mr. Stamets:

Enclosed in triplicate is the Application of Texaco Producing, Inc. in the above-referenced case. Texaco Producing, Inc. respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on April 2, 1986.

Very truly yours,



William F. Carr

WFC/cv
enclosures

cc: (w/enclosure)
Mr. Gary Kerns

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

IN THE MATTER OF THE APPLICATION
OF TEXACO PRODUCING, INC. FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

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APPLICATION

Comes now, TEXACO PRODUCING, INC., 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 Strawn formation in and under the S/2 SE/4 of Section 20, Township 16 South, Range 37 East, N.M.P.M., Lovington Penn, Northeast Pool, Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns approximately 79.48% and represents approximately 95.8% of the working interest in and under the S/2 SE/4 of Section 20, and applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its Montieth No. 2 Well to be drilled at an orthodox location 660 feet from the South line and 510 feet from the East line of said Section 20.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the S/2 SE/4 of said Section 20, except for Amerind Oil Company, owner of a 4.196% working interest.

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

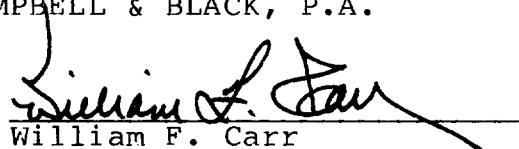
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on April 2, 1986, 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


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
(505) 988-4421

ATTORNEYS FOR TEXACO PRODUCING
INC.