

- Called in by Bill Carr  
7/15/86

# Memo

From  
FLORENE DAVIDSON  
OC Staff Specialist

To August 6, 1986

Mesa Grande Resources,  
Compulsory Pooling Inc.

Rio Arriba County  
Gallup and  
Dakota formations

W/2

16-25N-2W

CAMPBELL & BLACK, P.A.  
LAWYERS

RECEIVED

JUL 25 1986

OIL CONSERVATION DIVISION

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July 25, 1986

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

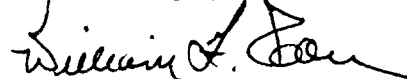
*Case 8963*

Re: Application of Mesa Grande Resources, Inc. for Compulsory  
Pooling and an Unorthodox Well Location, Rio Arriba  
County, New Mexico.

Dear Mr. Stamets:

Enclosed in triplicate is the Application of Mesa Grande  
Resources, Inc. in the above-referenced case. Mesa Grande  
Resources, Inc. respectfully requests that this matter be placed  
on the docket for the Examiner hearings scheduled on August 6,  
1986.

Very truly yours,



William F. Carr

WFC/cv  
enclosures

cc: (w/enclosure)  
Ms. Kathy Michael

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

IN THE MATTER OF THE APPLICATION  
OF MESA GRANDE RESOURCES, INC. FOR  
COMPULSORY POOLING AND AN UNORTHDOX  
WELL LOCATION, RIO ARriba COUNTY,  
NEW MEXICO.

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OIL CONSERVATION DIVISION Case 8963

APPLICATION

Comes now, MESA GRANDE RESOURCES, 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 Gavilan-Mancos and the Gavilan-Greenhorn-Graneros Dakota Oil Pools, in and under the W/2 of Section 16, 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 82.4% of the working interest in and under the W/2 of said Section 16 and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to its Fenton Well No. 1 to be drilled at an unorthodox location 1035 feet from the South line and 1125 feet from the West line of said Section 16.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the W/2 of said Section 16, except for the following:

Mountain States Natural Gas Corp.	6.25% WI
Reading & Bates Petroleum Corp.	4.17% WI
Hooper, Kimball & Williams, Inc.	4.17% WI
Duer Waggoner, Jr.	2.9% WI

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

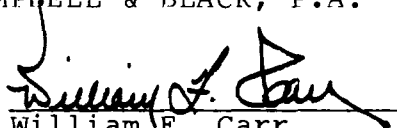
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on August 6, 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 MESA GRANDE  
RESOURCES, INC.