

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

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OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF UNION TEXAS PETROLEUM COMPANY,
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE: 9/22

A P P L I C A T I O N

COMES NOW UNION TEXAS PETROLEUM, by and through its attorneys, Kellahin, Kellahin & Aubrey and in accordance with Section 70-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests in the Ship Strawn Pool, Lea County, New Mexico, underlying the W/2SW/4 of Section 34, T16S, R37E, NMPM, for the formation of an 80-acre spacing and proration unit for its Shipp 34-3 well which has been drilled and completed (subject well) and in support thereof would show the Division:

1. Applicant has obtained the voluntary consent of 94.75% of the working interests underlying the W/2SW/4 of Section 34, T16S, R37E, Lea County, New Mexico authorizing applicant to drill the subject well.

2. Applicant has drilled a well at a standard location 660' FSL and 810' FWL of Section 34 to a total depth of 11,516 feet for production in the Shipp-Strawn Oil Pool.

3. Applicant has sought either voluntary agreement for pooling or farmout from the remaining 5.25% of the other mineral or working interest owners in the W/2SW/4 but has been unable to obtain a voluntary agreement as listed on Exhibit A attached hereto and incorporated herein.

4. Pursuant to Division notice requirements, applicant has notified all the parties shown on Exhibit A of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on April 22, 1987.

5. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interests involved in order to protect applicant's correlative rights and prevent waste.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described herein. Applicant further prays that it be named operator of the well, and that the order make provisions for applicant to recover out of production its costs of drilling the subject well, completing and

equipping it, costs of operation, including costs of supervision and a risk factor in the amount of 200% for the drilling of the well, for such other and further relief as may be proper.

Respectfully submitted,

By Karen Aubrey for

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EXHIBIT "A"

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