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November 24, 1987

Case 9277

Bill Lemay, Director
New Mexico Oil Conservation Division
P.O. Box 2088
New Mexico State Land Office Bldg.
Santa Fe, New Mexico 87504-2088

Re: Application of Reading & Bates Petroleum Company for
Compulsory Pooling, Rio Arriba County, New Mexico

Dear Mr. Lemay:

Enclosed please find the Application of Reading & Bates Petroleum Company for Compulsory Pooling, Rio Arriba County, New Mexico. On behalf of Reading & Bates Petroleum Company we request that this Application be set for hearing before the Division on December 16, 1987.

Thank you for your attention to this matter.

Very truly yours,

J. Scott Hall

J. Scott Hall

JSH/dmg
cc: Eric Koelling

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

IN THE MATTER OF READING AND
BATES PETROLEUM COMPANY FOR
COMPULSORY POOLING, RIO ARRIBA
COUNTY, NEW MEXICO

Case No. 9277

APPLICATION

Reading & Bates Petroleum Company, through its undersigned counsel, and as provided in Section 70-2-17 N.M.S.A. (1978) hereby makes application for an order pooling all mineral interest in the Gavilan-Mancos (Gallup Dakota) pool underlying all of Section 10, T-25 N, R-2 W, N.M.P.M. to form a standard 640 acre spacing and proration unit and in support states:

1. Applicant owns or represents a substantial portion on the working interest in and under said Section 10 and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above referenced 640 acre pooled unit to its Davis Federal 24-10 Well to be drilled at a standard location on said Section 10.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout of the owners of less than 100% of the working interest in said Section 10.


4. The pooling of the uncommitted interests and well completion at the standard location 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 uncommitted mineral interest should be pooled and the applicant should be designated the operator of the well.

WHEREFORE, applicant prays that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on December 16, 1987 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 for 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 risks assumed by the applicant in drilling, completing and equipping the well, and making such other provisions as appropriate.

Respectfully submitted:

CAMPBELL & BLACK

By 
J. Scott Hall
P.O. Box 2208
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Attorneys for Reading & Bates
Petroleum Company