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April 5, 1988

REC-100

HAND DELIVERED

APR 11 1988

OIL CONSERVATION DIVISION

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of  
Energy, Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

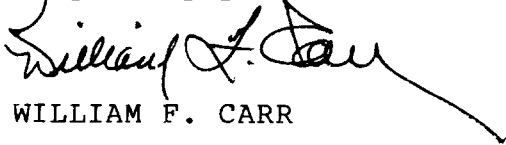
Case 9361

Re: In the Matter of the Application of Primary Fuels, Inc.  
for Compulsory Pooling, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Primary Fuels, Inc. in the above-referenced case. Primary Fuels, Inc. respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on April 27, 1988.

Very truly yours,

  
WILLIAM F. CARR

WFC/mlh  
Enclosures

cc w/enclosure: Ken Gray  
Primary Fuels, Inc.

BEFORE THE  
OIL CONSERVATION DIVISION  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

IN THE MATTER OF THE APPLICATION OF  
PRIMARY FUELS, INC. FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

CASE NO. 9361

APPLICATION

PRIMARY FUELS, INC. by its undersigned attorneys, hereby makes application pursuant to Section 70-2-17, N.M.S.A. (1978) for an order pooling all of the mineral interests from the surface to the base of the San Andres formation (approximately 4550 feet) for any and all formations and/or pools developed on 40-acre spacing in and under the SE/4 SW/4 of Section 31, Township 18 South, Range 39 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 76% of the working interest in and under the SE/4 SW/4 of Section 31, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to its Harvard Well No. 1 to be located at a standard location 330 feet from the South line and 1980 feet from the West line in the SE/4 SW/4 of said Section 31.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the SE/4 SW/4 of said Section 31 except for the following interest owners:

Anadarko Production Corporation 15.3% W.I.  
Post Office Box 2497  
Midland, Texas 79702  
Attn: Wayne Wheelis

M. Brad Bennett, Inc. 5.6% W.I.  
Post Office Box 2062  
Midland, Texas 79702

Barton Brothers Land and Royalty Company 3.0% M.I.  
Post Office Box 968  
Hobbs, New Mexico 88201  
Attn: Roy G. Barton, Jr.

John Bayz .7% M.I.  
(address unknown)

4. Said pooling of interests 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.

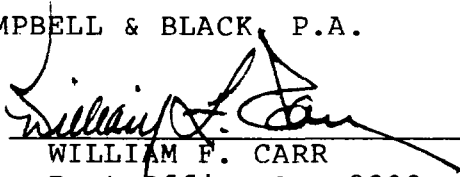
WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on April 27, 1988, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover 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, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By



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ATTORNEYS FOR PRIMARY FUELS, INC.