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Of Counsel

April 30, 1988

Mr. William J. LeMay  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Ethridge 10-7 Well  
Application of Foran Oil Company  
for Compulsory Pooling  
Lea County, New Mexico

Case 9391

Dear Mr. LeMay:

Please find enclosed our application on behalf of Foran Oil Company for a compulsory pooling order. We request that this application be set on the examiner's docket now scheduled for May 25, 1988.

We suggest the following for an advertisement for the newspaper and for the docket:

Application of Foran Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to either the base of the Strawn formation or to a depth of approximately 13,000 feet, whichever is deeper, underlying the E/2SE/4 of Section 7, T16S, R37E, Lea County, New Mexico, forming a 80-acre, more or less, standard oil spacing and proration unit for the Northeast Lovington Penn Oil Pool spacing, to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located on \_\_\_\_\_.

KELLAHIN, KELLAHIN & AUBREY

Mr. William J. LeMay  
April 29, 1988  
Page 2

By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application. Those parties are directed to contact the Division or the applicant's attorney to determine what additional rights they may have. In addition, they are advised that the entry of a compulsory pooling order will affect their rights to share in the production from the subject well.

Very truly yours,



W. Thomas Kellahin

WTK:ca  
Enc.

cc: Mr. Joe Foran  
Foran Oil Company  
8340 Meadow Road  
Dallas, Texas 75231

"Certified Return-Receipt Requested"  
All Parties listed in Application

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

RECEIVED

MAY 2 1988

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF FORAN OIL COMPANY FOR  
COMPULSORY POOLING  
LEA COUNTY, NEW MEXICO.

CASE: 9391

A P P L I C A T I O N

COMES NOW, FORAN OIL COMPANY, by and through its attorneys, Kellahin, Kellahin & Aubrey and in accordance with Section 7-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests underlying the following described acreage in Section 7, T16S, R37E, Lea County, New Mexico, in the following described manner:

E/2SE/4 to form a 80 acre, more or less, oil spacing and proration unit for the Northeast Lovington Penn Oil Pool.

The above described unit is to be dedicated to its Ethridge 1-7 Well to be drilled to a depth of approximately 11,800 feet at standard well location in said Section 7.

1. Applicant is a working interest owner in the E/2SE/4 of Section 7 as shown on Exhibit "A."

2. Applicant desires to drill a well at a standard location as shown on Exhibit "B."

3. Applicant has sought a voluntary agreement with all those parties shown on Exhibit "C" for the formation of an 80 acre unit for the drilling of the subject well but has been unable to obtain a voluntary agreement.

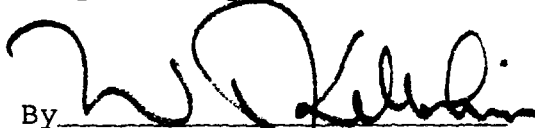
4. Pursuant to the Division notice requirements, applicant has notified all those parties shown on Exhibit "C" of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on May 25, 1988.

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, completing and equipping the subject well, costs of operation, including costs of supervision,

and a risk factor in the amount of 200% for the drilling and completing of the well, for such other and further relief as may be proper.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

By  
W. Thomas Kellahin  
Kellahin, Kellahin & Aubrey  
P. O. Box 2265  
Santa Fe, New Mexico 87504

(505) 982-4285



Ethridge #1-7

Proposed 11,800' Strawn Test  
Section 7: E/2 SE/4, T16S-R37E  
Lea County, New Mexico

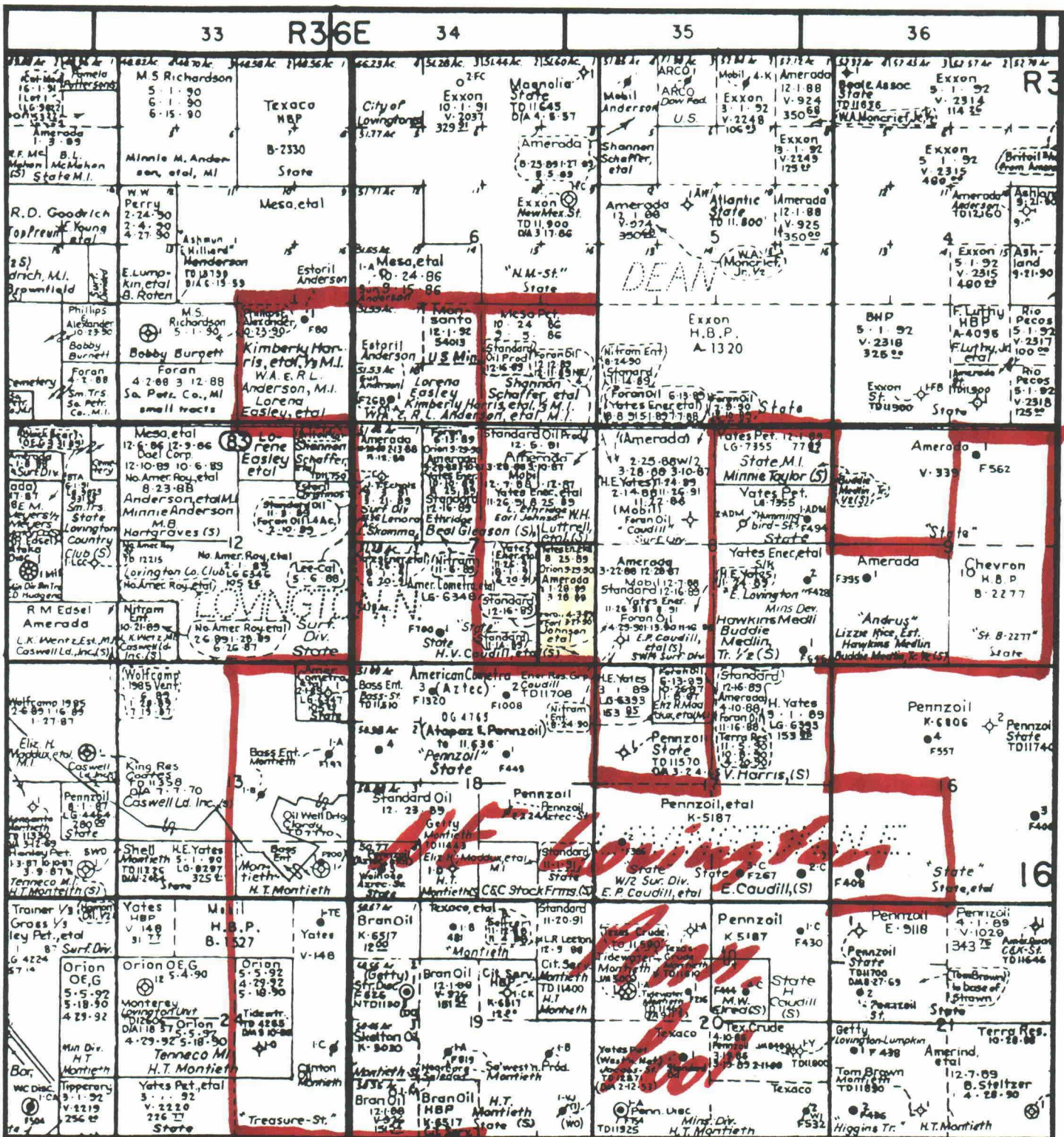


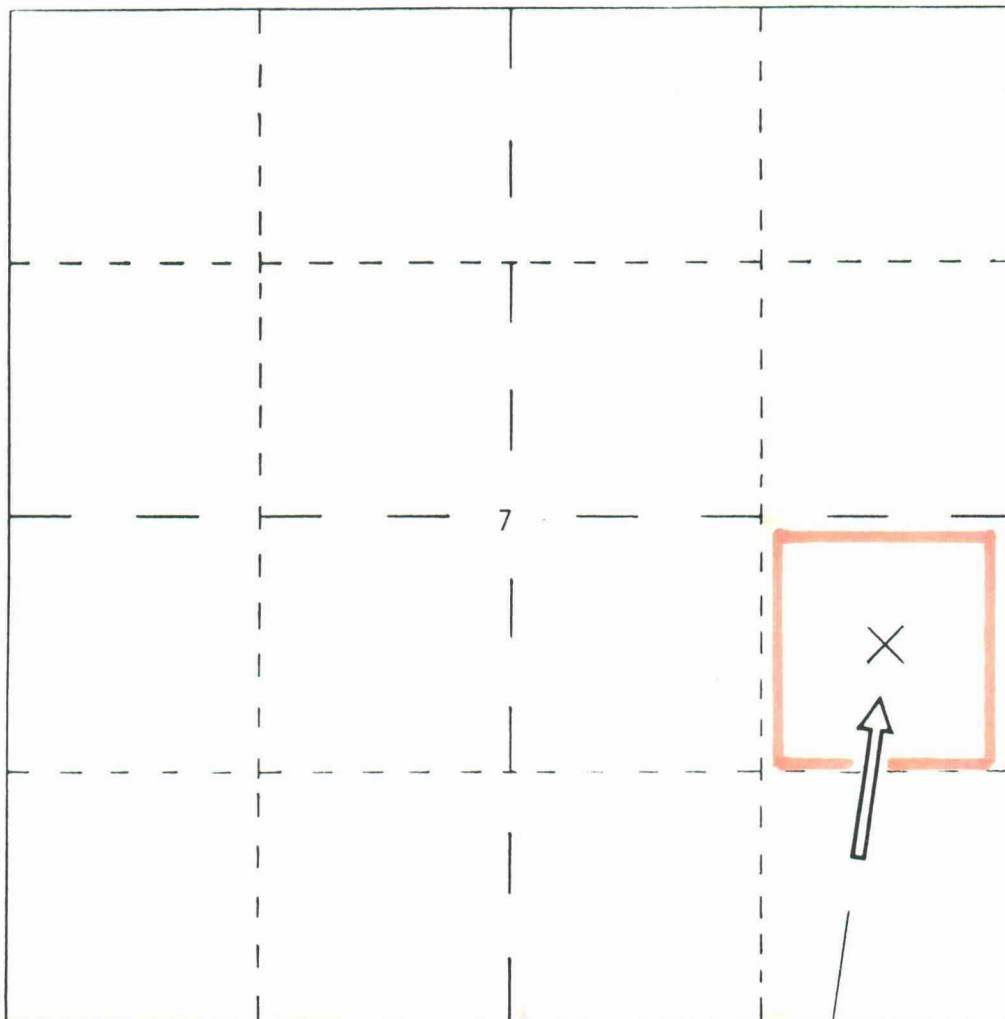


EXHIBIT "B"



PROPOSED LOCATION

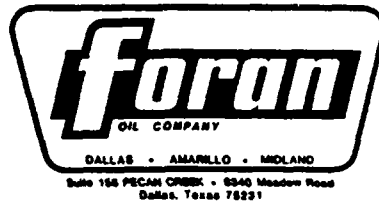
Ethridge 1-7  
Section 7: NE/4 SE/4  
T16S - R37E  
Lea County, New Mexico  
South Dean Prospect



at a legal location

1" = 1000 FT.

EXHIBIT "C"



Parties to be Pooled  
 Proposed Ethridge 1-7 Well  
 South Dean Prospect  
 Section 7: E/2 SE/4, T16S-R37E  
 Lea County, New Mexico

<u>Working Interest Owners</u>	<u>40 or 80 Acre Unit Interest</u>	<u>-80- Net Acres</u>	<u>-40- Net Acres</u>
1. Doris Cross McAdoo 2048 Amherst Drive South Pasadena, CA 91030	.354	.2832	.1416
2. Wells Fargo Bank, Successor Trustee Under Will Of Eleanor Wilson McAdoo Oil, Gas and Mineral Administration 2222 West Shaw Avenue, Suite 11 Fresno, CA 93711 Attention: Mr. Gregory A. Schlepp	.354	.2832	.1416
3. Nitrom Enterprises, Inc. P.O. Box 3341 Midland, TX 79702 Attention: Mr. C.D. Martin	1.406	1.1250	.5625
4. Jeanne Van Zant Sanders Sinclair Building, Suite 508 106 West Fifth Street Fort Worth, TX 76102	2.344	1.8750	.9375
5. J.H. Van Zant II 1730 Commerce Building 307 West Seventh Street Fort Worth, TX 76102-5173	2.344	1.875	.9375
6. E.B. White, Jr. P.O. Box 2052 Midland, TX 79720	.391	.3125	.1563
7. Harry A. Miller, Jr. Harry A. Miller III Margaret Ann Miller Carrico 303 West Wall Street, Suite 600 Midland, TX 79701	.195 .097 .097	.1563 .0781 .0781	.0781 .0391 .0391
	<u>7.582%</u>	<u>6.0664</u>	<u>3.0333</u>