

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS
MARTE D. LIGHTSTONE

GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

July 11, 1988

RECEIVED

JUL 11 1988

OIL CONSERVATION DIVISION

HAND DELIVERED

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

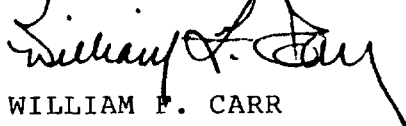
Case 9446

Re: In the Matter of the Application of ARCO Oil & Gas
Company for Compulsory Pooling, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed is the Application of ARCO Oil & Gas Company in the above-referenced case. ARCO Oil & Gas Company respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on August 3, 1988.

Very truly yours,



WILLIAM F. CARR

WFC/mlh

Enclosure

cc w/enclosure: Mr. David Farmer
ARCO Oil & Gas Company

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

RECEIVED
JUL 11 1978
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
ARCO OIL & GAS COMPANY FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 9446

APPLICATION

ARCO OIL AND GAS COMPANY 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 Bone Spring formation for any and all formations and/or pools developed on 40-acre spacing in and under two spacing or proration units comprised of the SE/4 SE/4 and the NW/4 SE/4 of Section 32, Township 17 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

1. Applicant owns approximately 97% of the working interest in and under the SE/4 SE/4 and the NW/4 SE/4 of Section 32, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate each of the above-referenced pooled units to a well to be located at a standard locations and to be drilled to a depth of approximately 9,000 feet to test the Bone Spring formation.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the SE/4 SE/4 and the NW/4 SE/4 of said Section 32 except for OXY, USA, Inc., Post Office Box 50250, Midland, Texas 79710 the owner of a 3% working interest under each pooled unit.

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

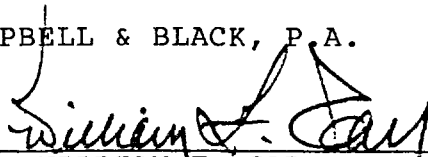
5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and Applicant should be designated the operator of the wells to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on August 3, 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 wells, 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 wells, 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 87504

(505) 988-4421

ATTORNEYS FOR ARCO OIL & GAS COMPANY