

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF BHP
PETROLEUM COMPANY
INC. FOR COMPULSORY
POOLING, RIO ARriba
COUNTY, NEW MEXICO.

Case No. 9488

OIL CONSERVATION DIVISION

APPLICATION

BHP Petroleum Company Inc. hereby makes application for an order pooling all interests from the base of the Pictured Cliffs formation to the base of the Dakota formation in Section 28, Township 24 North, Range 1 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof states:

1. Applicant is a working interest owner in said Section 28.

2. Applicant proposes to drill a well in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28 to a depth of approximately 8100 feet or the base of the Dakota formation.

3. Applicant seeks to dedicate the following acreage to the well:

(a) All of Section 28 for pools or formations spaced on 640 acres;

(b) The E $\frac{1}{2}$ of Section 28 for pools or formations spaced on 320 acres; and

(c) The SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28 for pools or formations spaced on 40 acres.

4. Applicant has in good faith sought to join all other mineral interest owners in Section 28 for the purposes set forth herein.

5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have refused to join in dedicating their acreage. Therefore, Applicant seeks an order pooling all mineral interest owners underlying the above-described acreage in Section 28, pursuant to N.M. Stat. Ann. §70-2-17 (1987 Repl.).

6. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation

of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty for the risk involved in drilling the well.

7. The pooling of all interests underlying Section 28, as described above, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. Applicant requests that this matter be heard at the September 28, 1988 Examiner Hearing.

HINKLE, COX EATON, COFFIELD &
HENSLEY

By James Bruce G. Guden
James Bruce
500 Marquette, N.W.
Suite 700
Albuquerque, N.M. 87102
(505) 768-1500

Attorneys for BHP
Petroleum Company Inc.