



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

June 8, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mr. Jim O'Neill
Division Mgr. & Landman
The William K. Warren Foundation
P. O. Box 971
Midland, Texas 79702

Re: C. W. Trainer Forced Pooling Action
Case No. 9957

Dear Mr. O'Neill:

Enclosed is a copy of New Mexico Statute regarding the forced pooling of interests in a proration unit. This is the statute under which C. W. Trainer is seeking to pool your interest.

As you can see, the Statute provides that with respect to unleased minerals interests, 7/8ths of the interest is considered working interest and 1/8th is considered royalty.

This case is docketed to be heard on Wednesday, June 13th before a hearing examiner in the OCD conference room in Santa Fe. While your letter will be filed in the case, it does not constitute evidence. The only way in which you can be sure your interests are fully represented is to appear at the hearing and present whatever evidence or argument you wish to make at that time. Under New Mexico law you are required to appear through an attorney licensed by the New Mexico Supreme Court.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert G. Stoval".

ROBERT G. STOVAL
General Counsel

RGS/dr

cc: Losee, Carson, Haas & Carrol
Michael E. Stogner, Hearing Examiner

7 8 48
THE WILLIAM K. WARREN FOUNDATION
MIDLAND, TEXAS
(915-682-0124)

Case 9957
Stogner
M.S. June 4, 1990

PLEASE REPLY TO:

P. O. BOX 971
MIDLAND, TEXAS 79702

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: TWKWF #293
NW/4SE/4 Section 31,
T-11-S, R-38-E,
Lea County, New Mexico

Gentlemen:

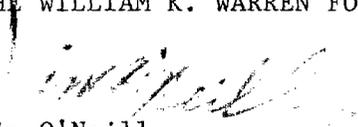
C. W. Trainer, through his attorneys, Losee, Carson, Haas & Carrol, has filed Application with your Commission to "force pool" all the unleased mineral owners under the above captioned land.

Underwood Petroleum of Midland, Texas apparently put this deal together and turned it to C. W. Trainer, and have offered the mineral owners no bonus and a 1/8th royalty. We feel that Underwood, et al, are, no doubt, retaining an override and the mineral owners should at least be offered a 3/16th royalty, and I feel that all the unleased owners would be happy to grant a short term lease with this royalty interest.

I am not familiar with the forced pooling laws of the State of New Mexico, however from Mr. Trainer's application to force pool I do not see where our interest is being pooled with any other land, and it appears to be forced leasing instead of forced pooling, to which we strenuously object.

Yours very truly,

THE WILLIAM K. WARREN FOUNDATION


Jim O'Neill
Division Mgr. & Landman

JON:aeb
xc - David Whitehill, Attorney
Tulsa, Oklahoma
xc - Losee, Carson, Haas & Carrol