

STANDARD APPLICATION FORM
STATE OF NEW MEXICO
ENERGY, MINERALS, NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

RECEIVED

In the Matter of the Hearing
Called By the Oil Conservation
Division for the Purpose of
Considering the Application of
Pacific Enterprises Oil Company
(USA) for Compulsory Pooling, Lea
County, New Mexico.

FEB 26 1991

OIL CONSERVATION DIV.
SANTA FE

Case No. 10269

APPLICATION

COMES NOW the Applicant, Pacific Enterprises Oil Company (USA) by and through its attorneys, Montgomery & Andrews, P.A., and files this application for compulsory pooling. Applicant seeks the pooling of certain mineral interests in Section 4, Township 23 South, Range 34 East, Lea County, New Mexico. In support of this application, Applicant states:

1. Applicant is an interest owner in Section 4, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico.
2. Applicant has a right to drill and proposes to drill an oil and gas well within the NE1/4SW1/4 of Section 4 to test the Cherry Canyon, Bone Spring, Strawn, Atoka, Morrow and Devonian Formations underlying Section 4.
3. Applicant has attempted to reach agreement with other interest owners in the affected acreage but has been unable to reach voluntary agreement for the pooling of the various mineral interests in Section 4.
4. Applicant proposes to drill a well at a standard location 1980 feet from the south line and 1980 feet from the west line of Section 4, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

5. Applicant seeks the pooling of the following mineral interests in Section 4, which will be affected by the proposed well.

Cherry Canyon	NE1/4SW1/4
Bone Spring	NE1/4SW1/4
Strawn	W1/2
Atoka	W1/2
Morrow	W1/2
Devonian	All of Section 4

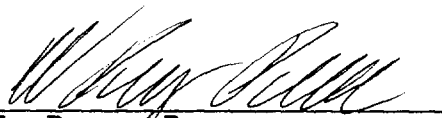
6. In addition to pooling these mineral interests, it is necessary for the Division to determine the reasonable costs of drilling and completing this well, the overhead and administrative costs which are reasonable for this well during drilling and operations and a reasonable charge for the risks involved in drilling said well to be applied to parties who do not participate drilling of this well. Applicant will seek to be named operator of this well.

WHEREFORE, Applicant prays that the Division enter its Order pooling the mineral interests described in paragraph 5 above and making the additional determinations described in paragraph 6.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By


W. Perry Pearce
Post Office Box 2307
Santa Fe, New Mexico 87504
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STANDARD APPLICATION FORM
STATE OF NEW MEXICO
ENERGY, MINERALS, NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

FEB 28 1991
OIL CONSERVATION DIV.
SANTA FE

In the Matter of the Hearing
Called By the Oil Conservation
Division for the Purpose of
Considering the Application of
Pacific Enterprises Oil Company
(USA) for Compulsory Pooling, Lea
County, New Mexico.

Case No. 16267

AMENDED APPLICATION

COMES NOW the Applicant, Pacific Enterprises Oil Company (USA) by and through its attorneys, Montgomery & Andrews, P.A., and files this application for compulsory pooling. Applicant seeks the pooling of certain mineral interests in Section 4, Township 23 South, Range 34 East, Lea County, New Mexico. In support of this application, Applicant states:

1. Applicant is an interest owner in Section 4, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico.
2. Applicant has a right to drill and proposes to drill an oil and gas well within the NE1/4SW1/4 of Section 4 to test the Devonian and shallower producing formations underlying Section 4.
3. Applicant has attempted to reach agreement with other interest owners in the affected acreage but has been unable to reach voluntary agreement for the pooling of the various mineral interests in Section 4.
4. Applicant proposes to drill a well at a standard location 1980 feet from the south line and 1980 feet from the west line of Section 4, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

5. Applicant seeks the pooling of the following mineral interests in Section 4, which will be affected by the proposed well.

All of said Section 4 forming a 639.52-acre gas spacing and proration unit in the Undesignated North Bell Lake Devonian Gas Pool which is spaced on 640 acres;

Lots 3 and 4, S/2NW/4 and SW/4W/2 equivalent to form a 320.16-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent which includes, but is not necessarily limited to the Undesignated North Antelope Ridge-Wolfcamp Gas Pool, Undesignated Antelope Ridge-Atoka Gas Pool, Undesignated North Bell Lake-Morrow Gas Pool and the Undesignated Antelope Ridge-Morrow Gas Pool;

the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and,

the NE/4SW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Northwest Antelope Ridge-Bone Spring Pool.

Said units are to be dedicated to a single well to be drilled at a standard location in the NE/4SW/4 (Unit K) of said Section 4.


6. In addition to pooling these mineral interests, it is necessary for the Division to determine the reasonable costs of drilling and completing this well, the overhead and

administrative costs which are reasonable for this well during drilling and operations and a reasonable charge for the risks involved in drilling said well to be applied to parties who do not participate drilling of this well. Applicant will seek to be named operator of this well.

WHEREFORE, Applicant prays that the Division enter its Order pooling the mineral interests described in paragraph 5 above and making the additional determinations described in paragraph 6.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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