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September 20, 1984

HAND DELIVERED

Mr. Joe D. Ramey, Director  
Oil Conservation Division  
New Mexico Department of  
Energy and Minerals  
Post Office Box 2088  
Santa Fe, New Mexico 87501

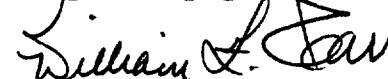
Re: Application of Hondo Oil & Gas Company for Compulsory  
Pooling, Eddy County, New Mexico.

Dear Mr. Ramey:

Enclosed in triplicate is the application of Hondo Oil & Gas Company in the above-referenced case. Hondo Oil & Gas Company respectfully requests that this matter be included on the docket for the October 3, 1984 Examiner hearings.

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

WFC/cv  
enclosures

cc: Mr. Ron Sponberg (w/enc.)  
Mr. Allen Harvey (w/enc.)

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BEFORE THE

OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

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

Case \_\_\_\_\_

APPLICATION

Comes now, HONDO OIL & GAS COMPANY, by and through its undersigned attorneys and, as provided by §70-2-17, N.M.S.A. (1978), hereby makes application for an order pooling all of the mineral interests in the Pennsylvanian formation in and under the N/2 of Section 22, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

1. Applicant owns 18.75% of the working interest and represents approximately 44.01% of the working interest in and under the N/2 of Section 22, and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location 1980 feet from the North and East lines of said Section 22.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the N/2 of Section 22, except the following:

Exxon Corporation	25% WI
Gulf Oil Corporation	12.5% WI
Marathon Oil Comapny	18.49% WI

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

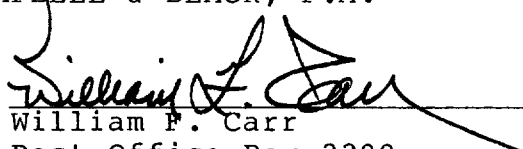
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on October 3, 1984, 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 well, 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 well, 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 87501  
(505) 988-4421

ATTORNEYS FOR HONDO OIL & GAS  
COMPANY