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September 12, 1985

HAND DELIVERED

Mr. R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 8721

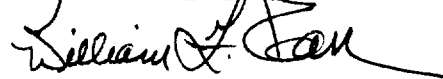
Re: Application of Inexco Oil Company for
Compulsory Pooling, Lea County, New Mexico.

Dear Mr. Stamets:

Enclosed in triplicate is the application of Inexco Oil Company in the above-referenced case. Inexco Oil Company respectfully requests that this matter be included on the docket for the October 9, 1985 Examiner hearings.

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

WFC/cv
enclosures

cc: Mr. Mac Ames

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF INEXCO OIL COMPANY FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

Case 8721

APPLICATION

Comes now, INEXCO OIL COMPANY, by and through its undersigned attorneys and, as provided by Section 70-2-17, N.M.S.A. (1978), hereby makes application for an order pooling all of the mineral interests from the surface to the base of the Atoka formation, in and under the W/2 NW/4 of Section 13, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 68.75% of the working interest in and under the W/2 NW/4 of Section 13, 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 2100 feet from the North line and 600 feet from the West line of said Section 13.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the W/2 NW/4 of said Section 13, except for the following:

Shriners Hospital for Crippled Children
Post Office Box 2533356
Tampa, Florida 33622 6.25% MI

Ashland Exploration Inc.
Post Office Box 218330
Houston, Texas 77218

25% MI

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

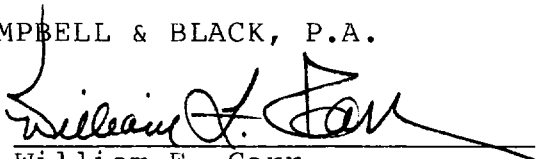
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on October 9, 1985, 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, approving the location of the well as proposed by applicant, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By



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Post Office Box 2208
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ATTORNEYS FOR INEXCO OIL
COMPANY