

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

FILED  
1978  
OIL CONSERVATION DIVISION

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

Case 8878

APPLICATION

Comes now, HNG 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 Wolfcamp formation in and under the SW/4 of Section 31, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and from the base of the Wolfcamp formation to the base of the Atoka formation in and under the W/2 of Section 31, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

1. Applicant owns approximately 37.4% of the working interest in and under the SW/4 of Section 31 and 49.78% of the working interest in and under the W/2 of Section 31, and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to its Queen Lake 31 State Com No. 1 Well to be drilled at an orthodox location 1980 feet from the South line and 660 feet from the West line of said Section 31.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners

in the W/2 of said Section 31, except for the following working interest owners:

Margaret B. Short  
c/o First National Bank of Artesia  
P. O. Drawer AA  
Artesia, New Mexico 88210  
Attn: Jim Dykes

MWJ Producing Co.  
1804 Republic Bank  
First National  
Midland, Texas 79701

Eastland Exploration, Inc.  
Post Office Box 3488  
Midland, Texas 79702

Eastland Resources, Inc.  
Post Office Box 3488  
Midland, Texas 79702

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 May 14, 1986, 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.

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for William F. Carr  
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(505) 988-4421

ATTORNEYS FOR HNG OIL COMPANY