

HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD A. SIMMS
RICHARD R. WILFONG*
STEVEN D. ARNOLD
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWETT*
JAMES BRUCE

JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
ALBERT L. PITTS
FRED W. SCHWENDIMANN
THOMAS D. HAINES, JR.
THOMAS M. HNASKO
MICHAEL F. MILLERICK
FRANKLIN H. MCCALLUM*
ALLEN G. HARVEY
GREGORY J. NIBERT
JUDY K. MOORE*
DAVID T. MARKETTE*
JAMES R. MCADAMS*
JAMES M. HUDSON
MACDONNELL GORDON
REBECCA J. NICHOLS
PAUL R. NEWTON
WILLIAM R. JOHNSON*
CHRISTOPHER S. RAY

ATTORNEYS AT LAW

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554

200 CENTURY PLAZA
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691

1700 TEXAS AMERICAN BANK BUILDING
POST OFFICE BOX 12118
AMARILLO, TEXAS 79101
(806) 372-5569

700 UNITED BANK PLAZA
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88201
(505) 622-6510

November 7, 1986

OF COUNSEL
ROY C. SNOODGRASS, JR.
O. M. CALHOUN
MACK EASLEY
JOE W. WOOD
STEPHEN L. ELLIOTT

CLARENCE E. HINKLE (1904-1985)
W. E. BONDURANT, JR. (1913-1973)
ROBERT A. STONE (1905-1981)

*NOT LICENSED IN NEW MEXICO


Ms. Florene Davidson
New Mexico Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Dear Florene:

Enclosed for filing are 3 separate applications by Santa Fe Energy Operating Partners, L.P. Please set all three applications for the December 3, 1986 hearing.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


James Bruce

JGB:jr
Enclosures

RECEIVED

NOV 10 1986

OIL CONSERVATION DIVISION

Case 9046

HANDS DELIVERED

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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NOV 10 1986

APPLICATION OF SANTA FE
ENERGY OPERATING PARTNERS,
L.P., FOR COMPULSORY
POOLING, LEA COUNTY,
NEW MEXICO.

OIL CONSERVATION DIVISION Case No. 9046

APPLICATION

Santa Fe Energy Operating Partners, L.P., hereby makes application for an Order pooling all mineral interests in all formations from 4,825 feet beneath the surface to the base of the Bone Spring formation in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 26, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show:

1. Applicant is a working interest owner in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 26.
2. Applicant proposes to drill its Sprinkel No. 4 Well in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 26, at a standard location, to a depth of 9,700 feet or the base of the Bone Spring formation, and seeks to dedicate the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 26 to the well.
3. Applicant has in good faith sought to join all other mineral interest owners in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 26 for the purposes set forth herein.
4. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have refused to join in dedicating their acreage. Therefore, Applicant seeks an Order

pooling all mineral interest owners in all formations from 4,825 feet beneath the surface to the base of the Bone Spring formation underlying the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 26, pursuant to § 70-2-17 N.M.S.A. 1978.


5. Applicant asks that the Division consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty for the risk involved in drilling the well.

6. The pooling of all interests described above underlying the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 26 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Applicant requests that this matter be heard at the December 3, 1986 Examiner hearing.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By


James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
Attorneys for Applicant

Dated: November 7, 1986

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