

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF ARCO OIL AND
GAS COMPANY, FOR COMPULSORY
POOLING, LEA COUNTY, NEW
MEXICO

Case No. 9660

OF CONSERVATION DIVISION

APPLICATION

ARCO Oil and Gas Company, hereby makes applications for ~~an~~ ^{an} Order pooling all interests from the surface to the base of the Atoka formation in the W 1/2 of Section 23, Township 17 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof will show:

1. Applicant is a working interest owner in the NW 1/4 of said Section 23.
2. Applicant proposes to drill its State Bar "23" Com. #1 Well in the W 1/2 of Section 23, at a standard location 1980 feet from the North line and 660 feet from West line of Section 23 to a depth of 12,500 feet or the base of the Atoka formation, and seeks to dedicate the W 1/2 of Section 23 to the well.
3. Applicant has in good faith sought to join all other mineral interest owners in the W 1/2 of Section 23 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 underlying the W 1/2 of Section 23, pursuant to Section 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 underlying the W 1/2 of Section 23 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Applicant requests that this matter be heard at the next regularly scheduled Examiner hearing.

HINKLE, COX, EATON, COFFIELD
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Dated: _____

12/12/86