

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

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OCT 9 1978

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

OIL CONSERVATION DIVISION

CASE: 9267

A P P L I C A T I O N

COMES NOW PENNZOIL COMPANY, by and through its attorneys, Kellahin, Kellahin & Aubrey and in accordance with Section 70-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests in the Strawn and Atoka formations, Lea County, New Mexico, underlying the E/2SE/4 of Section 22, T16S, R37E, NMPM, for the formation of an 80-acre spacing and proration unit for its #1 Maude Medlin well to be drilled 1980' FSL and 810' FEL of said Section 22, and in support thereof would show the Division:

1. Applicant has obtained the voluntary consent of 99% of the working interests underlying the E/2SE/4 of Section 22, T16S, R37E, Lea County, New Mexico authorizing applicant to drill the subject well.

2. Applicant has sought either voluntary agreement for pooling or farmout from the remaining 5/28ths of the other mineral or working interest owners in the E/2SE/4 but has been unable to obtain a voluntary agreement as listed on below:

* Lynn Melton Medlin and Billy Medlin, Personal Representatives of the Estate of Buddy Melton Medlin, Deceased
c/o Billy Medlin
P. O. Box 50
Maljamar, New Mexico 88264

2/28ths Unleased
Mineral Interest

* Mrs. Minnie Taylor
Hope, New Mexico 88250

3/28th Unleased
Mineral Interest

* 3. Applicant is informed that some or all of the foregoing interests may have been leased to Rio Pecos Corporation of 110 West Louisiana, Suite 400, Midland, Texas 79701. Accordingly, Applicant seeks to also pool any interest held by Rio Pecos in the subject acreage.

4. Pursuant to Division notice requirements, applicant has notified all the parties listed in paragraph 2 and 3 above of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on November 18, 1987.

5. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interests involved in order to protect applicant's correlative rights and prevent waste.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral

interest described herein. Applicant further prays that it be named operator of the well, and that the order make provisions for applicant to recover out of production its costs of drilling the subject well at an unorthodox location, completing and equipping it, costs of operation, including costs of supervision and a risk factor in the amount of 200% for the drilling of the well, for such other and further relief as may be proper.

Respectfully submitted,



By
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