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June 27, 1989

HAND-DELIVERED

Mr. William J. LeMay  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87504

Re: Pacific Enterprises Oil  
Company, USA  
for Compulsory Pooling  
Lea County, New Mexico

RECEIVED  
JUN 29 1989  
OIL CONSERVATION DIVISION

Case 9709

Dear Mr. LeMay:

On behalf of Pacific Enterprises Oil Company, USA, we would appreciate you setting the enclosed application for a new public hearing on the Division's Examiner docket now scheduled for July 26, 1989.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, that they have the right to appear at the hearing, to cross-examine witnesses either in support of or in opposition to the application. Those parties are directed to contact the Division or the applicant's attorney to determine what additional rights they may have. In addition, they are advised that the entry of a compulsory pooling order will affect their rights to share in the production from the subject well.

Very truly yours,



W. Thomas Kellahin

WTK/rs  
Encl.

cc: Mr. John Lodge  
Pacific Enterprises Oil Company, USA

"Certified Return-Receipt Requested"  
All parties listed in Application

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

RECEIVED

JUN 29 1989

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF PACIFIC ENTERPRISES OIL COMPANY, USA  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO

Case No: 9709

A P P L I C A T I O N

COMES NOW PACIFIC ENTERPRISES OIL COMPANY, USA, by and through its attorneys, Kellahin, Kellahin & Aubrey, and in accordance with Section 70-2-17(c) N.M.S.A. (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests below the (top of the Wolfcamp formation to the base of the Morrow formation) underlying the N/2 of Section 6, T20S, R34E, NMPM, forming a 320 acre gas spacing and proration unit for any and all formation and/or pools within this vertical extent, for a gas well to be located 660 feet FNL and 1980 feet FWL of said Section. Said well to be drilled at an approximate total depth of 13,600 feet. Applicant further seeks an order pooling all mineral interests from the surface to the top of the Wolfcamp formation underlying the NW/4 of said Section 6, or such portion thereof as may be appropriate for an oil or gas spacing and proration unit, as the case may be, should production from the subject well justify said result, and in support thereof would show the Division:

1. Applicant has obtained the voluntary consent of various working interest owners underlying the N/2 of Section 6, T20S, R34E, 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 mineral or working interest owners in the applicable spacing and proration units but as of the date of the application has been unable to obtain a voluntary agreement from the following:

NAME:	N/2 UNIT	NW/4 UNIT OR LESS
Isabel Aid, Individually and as Independent Executrix of the Estate of Herbert Aid c/o Ed Hudson 616 Texas Street Fort Worth, TX 76102	6.21%	- 0 -
Ameriplor Corporation American Production Partnership Ltd. IV and III 4500 Republic Bank Tower 700 Louisiana Houston, TX 77002 Atn: Ronnie Van Winkle	4.6825%	5.0092%
Grace Petroleum Corporation 6501 North Broadway Oklahoma City, OK 73116 Atn: Carrie Askins	37.74%	75.0%
Ed R. Hudson Trust William A. Hudson 616 Texas Street Fort Worth, TX 76102 Atn: Ed Hudson, Jr.	15.8358%	- 0 -
Moore & Shelton Company 1414 Sugar Creek Blvd. Sugarland, TX 77478 Atn: Donald Moore	2,7945%	- 0 -

NAME:	N/2 UNIT	NW/4 UNIT OR LESS
Southern Union Exploration Company 1201 Elm Street Suite 1800 Dallas, TX 75270 Atn: Joel Neely	3.2149%	6.389%
Union Oil of California Post Office Box 3100 1004 North Big Spring Midland, TX 79701 Atn: John F. Hansen	24.84%	- 0 -

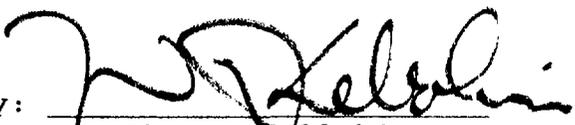
3. Pursuant to Division notice requirements, applicant has notified all the parties listed in paragraph 2 above of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on July 26, 1989.

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 to prevent waste.

WHEREFORE, applicant prays that this application be set fore 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, completing and equipping it, costs of

operation, including costs of supervision and a risk factor in the amount of 200% for the drilling and completing the subject well, for such other and further relief as may be proper.

Respectfully submitted:

By:   
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