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OIL CONSERVATION DIVISION

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July 21, 1989

HAND DELIVERED

William J. LeMay
Director, Oil Conservation Div.
NM Dept. Energy, Minerals
& Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Case 9709

Re: **Application of Union Oil Company of California for
Compulsory Pooling, Lea County, New Mexico**

Dear Mr. LeMay:

Enclosed is the Application of Union Oil Company of California in the above-referenced case. Union requests that this matter be set for hearing before a Division Examiner on August 9, 1989.

As you will note, this application seeks the pooling of the same acreage which is the subject of Case 9709 in which Pacific Enterprises Oil Company also seeks an Order pooling this acreage. Union Oil Company of California therefore requests that Case 9709 be continued and both cases be scheduled for hearing at the same time before an examiner on August 9, 1989.

By copy of this letter I am advising W. Thomas Kellahin, attorney for Pacific Enterprises Oil Company, of this request.

Your attention to this matter is appreciated.

Very truly yours,

William F. Carr

WFC:ep
encls.

cc: (w/encls.)
W. Thomas Kellahin, Esq.
Larry Murphy

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August 4, 1989

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: Oil Conservation Division Case No. 9714:
Application of Union Oil Company of California for
Compulsory Pooling, Lea County, New Mexico

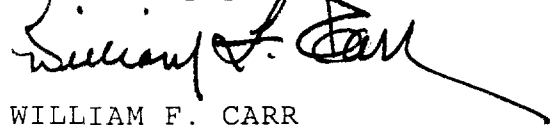
Dear Mr. LeMay:

Union Oil Company of California hereby requests that the above-referenced case scheduled for hearing before a Division Examiner on August 9, 1989 be continued to the Examiner hearings scheduled for August 23, 1989. The reason for this continuance is that the parties have been negotiating a voluntary arrangement for development of this acreage and we are hopeful that between now and August 23, 1989 we will be able to request that his case be dismissed.

As you are aware, Pacific Enterprises Oil Company also has an application pending for compulsory pooling of this acreage (Case 9709). It is my understanding that Mr. Kellahin, attorney for Pacific Enterprises Oil Company, will be requesting that that case also be continued to August 23rd.

Your attention to this request is appreciated.

Very truly yours



WILLIAM F. CARR

WFC:mlh

cc: Mr. Larry Murphy
Union Oil Company of California
Post Office Box 671
Midland, Texas 79702

W. Thomas Kellahin, Esq.,
James Bruce, Esq.

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

IN THE MATTER OF THE APPLICATION
OF UNION OIL COMPANY OF CALIFORNIA
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

CASE NO. 77/10

APPLICATION

COMES NOW APPLICANT, UNION OIL COMPANY OF CALIFORNIA, by and through its undersigned attorneys, and as provided by N.M.S.A. § 70-2-17, hereby makes application for an order pooling all of the mineral interests in any and all formations and/or pools developed on 320-acre spacing units from the surface to the base of the Morrow formation in and under the N/2 of Section 6, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 46.88% of the working interest in and under the N/2 of Section 6, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at a standard location in said Section 6, to a depth sufficient to test all formations to the base of the Morrow formation.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the acreage to be pooled, except for the following interest owners:

Ameriplor Corporation and American Production Partnership Ltd., IV and III 4500 Republic Bank Tower 7000 Louisiana Houston, Texas 77002	4.68% WI
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Grace Petroleum Corporation 6501 N. Broadway Oklahoma City, Oklahoma 73116	37.74% WI
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Moore and Shelton Company 1414 Sugar Creek Blvd. Sugarland, Texas 77478	2.79% WI
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Pacific Enterprises Oil Company USA 10 Desta Drive, Suite 500 West Midland, Texas 79705	4.70% WI
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Southern Union Exploration Co. 1201 Elm Street, Suite 1800 Dallas, Texas 75270	3.21% WI
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4. Said pooling of interests 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 August 9, 1989 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 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, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: _____

WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
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ATTORNEYS FOR UNION OIL COMPANY
OF CALIFORNIA