

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION **RECEIVED**

JAN 15 1991

IN THE MATTER OF THE APPLICATION OF
MERIDIAN OIL INC. FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO

OIL CONSERVATION DIV.
CASE NO. *10228*

A P P L I C A T I O N

COMES NOW MERIDIAN OIL INC., 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 interest as follows:

From 50 feet below the Queen formation to 50
feet below the Delaware formation or 6100 feet,
whichever is deeper, for the formation of a 40-acre oil
spacing and proration unit consisting of the SE/4SW/4
of Section 12, T18S, R31E, N.M.P.M., Eddy County, New
Mexico to be dedicated to its Comanche Federal No. 3
well forming a standard 40-acre oil spacing and
proration unit for any and all formations and or pools
developed on 40-acre oil spacing within said vertical
extent which presently includes but is not necessarily
limited to the Undesignated East Shugart-Delaware Pool.

In support thereof, applicant states:

1. Applicant is a working interest owner in the SE/4SW/4 of Section 12, T18S, R31E, N.M.P.M.

2. Applicant desires to drill a well to a total depth of 6100 feet or the base of the Delaware formation at a standard location to test the Delaware formation.

3. Applicant has sought a voluntary agreement with all those parties shown on Exhibit "A" for the formation of an appropriate spacing and proration unit for the drilling of the subject well, but has been unable to obtain a voluntary agreement.

4. Pursuant to the Division notice requirements, Applicant has notified all those parties shown on Exhibit "A" of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on February 7, 1991.

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 interest of those parties shown on Exhibit "A" as not having voluntarily committed their interest 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 approving the pooling of 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, completing and equipping the subject well, costs of operation, including costs of supervision, and a risk factor in the amount of 200% for the drilling and completing of the well, for such other and further relief as may be proper.

Respectfully submitted,

KELLAHIN, KELLAHIN & AUBREY

By: 

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EXHIBIT "A"

Harvey E. Yates Company
P.O. Box 1933
One Sun West Centre
Roswell, New Mexico 88210
Attn: Ms. Shari Darr

Chevron U.S.A. Inc.
P.O. Box 1159
Midland, Texas 79702
Attn: Mr. James Baca