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March 4, 1986

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MAR 4 1986

OIL CONSERVATION DIVISION

Case 8857

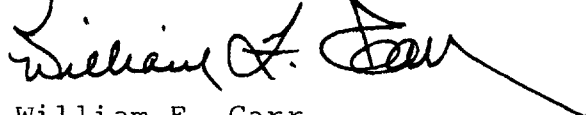
R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
State Land Office Building
Santa Fe, New Mexico 87501

Re: Application of Inexco Oil Company for Compulsory Pooling
and an Unorthodox Well Location, Lea County, New Mexico.

Dear Mr. Stamets:

Enclosed in triplicate is the Application of Inexco Oil Company in the above-referenced case. Inexco Oil Company respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on March 19, 1986.

Very truly yours,


William F. Carr

WFC/cv
enclosures

cc: (w/enclosure)
Mr. Mack R. Ames

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

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MAR 4 1986

IN THE MATTER OF THE APPLICATION
OF INEXCO OIL COMPANY FOR COMPULSORY
POOLING AND AN UNORTHODOX WELL
LOCATION, LEA COUNTY, NEW MEXICO.

OIL CONSERVATION DIVISION

Case 8857

APPLICATION

Comes now, INEXCO OIL COMPANY, by its undersigned attorneys, and as provided by Section 70-2-17, N.M.S.A. (1978), hereby makes application for an order pooling all of the mineral interests from the surface to the top of the Strawn formation in and under the SW/4 SE/4, and all of the mineral interests in the Strawn formation in and under the S/2 SE/4 of Section 35, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 23% of the working interest in and under the SW/4 SE/4 of Section 35, and 73% of the working interest in and under the S/2 SE/4 of said Section 35, 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 an unorthodox location 1050 feet from the South line and 1350 feet from the East line of said Section 35.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners

in the S/2 SE/4 of said Section 35, except for the following:

Heritage Resources	.625% WI
Sun Exploration & Production Co.	1.66% WI
Roy Barton	1.56% WI
Mesa Petroleum Co.	24/15% WI

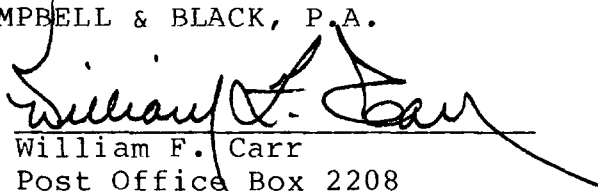
4. Said pooling of interests and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

WHEREFORE, applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on March 19, 1986, 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 drilling, equipping and completing the well, 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, approving the unorthodox location of the well as proposed by the applicant, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

BY


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ATTORNEYS FOR INEXCO OIL
COMPANY