

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF MESA GRANDE RESOURCES,  
INC. FOR COMPULSORY POOLING, RIO  
ARRIBA COUNTY, NEW MEXICO.

RECEIVED  
Case No. 9257  
OCT 20 1987

APPLICATION

OIL CONSERVATION DIVISION

Mesa Grande Resources, Inc. hereby makes application for an order pooling all interests in the Gallup formation of the Gavilan-Mancos Oil Pool underlying Section 14, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show:

1. Applicant is a working interest owner in Section 14, Township 24 North, Range 2 West, Rio Arriba County, New Mexico, and is entitled to drill a well thereon.

2. Applicant proposes to drill its Crusader No. 1 Well in Section 24 at a standard location, and seeks to dedicate all of Section 14 to the well with respect to the Gallup formation of the Gavilan-Mancos Oil Pool, pursuant to New Mexico Oil Conservation Commission Order No. R-7407-E.

3. Applicant has in good faith sought to join all other mineral interest owners in Section 14 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well, or to otherwise commit their interests to the well, certain interest owners have refused to join in dedicating their acreage. Therefore, Applicant seeks an order pooling all mineral interest owners in the Gallup formation

underlying Section 14, pursuant to Section 70-2-17 N.M.S.A. 1978.

5. Applicant asks that the Division consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty for the risk involved in drilling the well.

6. The pooling of all interests underlying Section 14 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Applicant requests that this matter be heard before the Division on November 18, 1987.

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