

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 740
ALBUQUERQUE, NEW MEXICO 87102-2121

(505) 768-1500

700 UNITED BANK PLAZA
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 86202
(505) 622-6510

2800 CLAYDESTA NATIONAL BANK BUILDING
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691

1700 TEXAS AMERICAN BANK BUILDING
POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569

218 MONTEZUMA
POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
AROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
STEVEN D. ARNOLD
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWETT*
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
ALBERT L. PITTS
THOMAS M. HNASKO

JOHN C. CHAMBERS*
THOMAS D. HAINES, JR.
FRANKLIN H. MCCALLUM*
GREGORY J. NIBERT
DAVID T. MARKETTE*
MARK C. DOW
FRED W. SCHWENDIMANN
DAVID MORAN
JAMES R. MCADAMS*
JAMES M. HUDSON
MACDONNELL GORDON
REBECCA NICHOLS JOHNSON
PAUL R. NEWTON
WILLIAM P. JOHNSON
KAREN M. RICHARDSON*
ELLEN S. CASEY
MARGARET C. LUDEWIG
SUSAN L. NIESER*
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLOUTIER
WANA RADEMAEKERS*
S. BARRY PAISNER

OF COUNSEL
O. M. CALHOUN
MACK EASLEY
JOE W. WOOD
STEPHEN L. ELLIOTT

CLARENCE E. HINKLE (1901-1965)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1987)

*NOT LICENSED IN NEW MEXICO

October 11, 1988

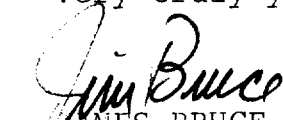
2000 9320

Ms. Florene Davidson
New Mexico Oil Conservation
Division
310 Old Santa Fe Trail
Room 206
Santa Fe, New Mexico 87503

Dear Florene:

Enclosed for filing are an original and two copies of an Application for Compulsory Pooling by Exxon Corporation. Please set this matter for the examiner hearing scheduled for Wednesday, November 9, 1988.

Very truly yours,


JAMES BRUCE
JB:le
Enclosures

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF EXXON CORPORATION
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

Case No. 9520

APPLICATION

EXXON CORPORATION hereby makes application for an order pooling all interests from the surface to the base of the Morrow formation in the $W\frac{1}{2}$ of Section 32, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show:

1. Applicant is a working interest owner in the $W\frac{1}{2}$ of said Section 32.

2. Applicant proposes to drill its Salt Lake Com. Well No. 1 in the $W\frac{1}{2}$ of Section 32, at a standard location, to a depth of approximately 14,000 feet or the base of the Morrow formation, and seeks to dedicate the $W\frac{1}{2}$ of Section 32 to the well.

3. Applicant has in good faith sought to join all other mineral interest owners in the $W\frac{1}{2}$ of Section 32 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

underlying the W $\frac{1}{2}$ of Section 32, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).

5. Applicant request the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.

6. The pooling of all interests underlying the W $\frac{1}{2}$ of Section 32 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Applicant requests that this matter be heard at the November 9, 1988 Examiner hearing.

HINKLE, COX, EATON, COFFIELD
& HENSLEY

By 

James Bruce
500 Marquette, N.W.
Suite 740
Albuquerque, New Mexico 87102
(505) 768-1500

Attorneys for Applicant