

**ERNEST L. PADILLA**  
ATTORNEY AND COUNSELOR AT LAW

First Northern Plaza  
P.O. Box 2523  
Santa Fe, New Mexico 87501  
(505) 988-7577

September 27, 1983

Joe D. Ramey, Director  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

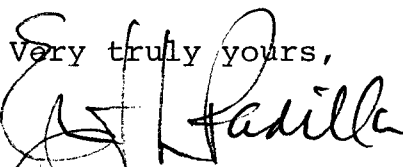
*Case 7973*

RE: Application of Santa Fe Exploration Company  
for Compulsory Pooling, Lea County, New Mexico

Dear Mr. Ramey:

Enclosed you will find the above referenced application, in triplicate, for filing.

Please let me know if you have any questions regarding the above.

Very truly yours,  
  
Ernest L. Padilla

ELP/bv

Enc

cc: Santa Fe Exploration Company

SEP 28 1983

RECEIVED

BEFORE THE OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION

SEP 28 1983

STATE OF NEW MEXICO

RECEIVED

IN THE MATTER OF THE APPLICATION  
OF SANTA FE EXPLORATION COMPANY  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO

NO. 7973

APPLICATION

Applicant, Santa Fe Exploration Company, by  
and through its undersigned attorney, and in support of  
this application alleges and states as follows:

1. That Applicant is an owner within the mean-  
ing of Section 70-2-17(c), NMSA, 1978 Compilation, and as  
such seeks to force-pool all of the oil and gas mineral  
interests from the surface of the earth down to and includ-  
ing the base of the Morrow formation underlying the E/2,  
Section 18, Township 18 South, Range 34 East, NMPM, Lea  
County, New Mexico, containing 320 acres, more or less  
(said lands).

2. That Applicant proposes to drill a well at  
a standard location on said lands.

3. That the Applicant will dedicate said lands  
to the well and desires to be designated as the operator.

4. That the Applicant has obtained the consent  
of the working interest and royalty owners in the proposed  
proration unit except for the following:

<u>Name</u>	<u>Working Interest</u>
Marathon Oil Company	25%

5. That any non-consenting working interest owner that does not pay its share of estimated well costs should have withheld from production its share of the reasonable well costs, plus an additional 200% thereof as a reasonable charge for the risk involved in the drilling of the well.

6. That Applicant should be authorized to withhold from production a reasonable supervision charge, attributable to each non-consenting working interest owner's proportionate share, during the drilling and production stages of the well.

7. That to avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in the proposed proration unit the opportunity to recover or receive without unnecessary expense its just and fair share of the hydrocarbons in the unit, said lands should be pooled as proposed herein.

WHEREFORE, Applicant respectfully requests:

1. That this application be set for hearing before an examiner of the Division and that notice of said hearing be given as required by law.

2. That upon hearing the Division enter its Order pooling all oil and gas mineral interests from the surface of the earth down to and including the base of the Morrow formation as a standard proration or spacing unit, underlying the E/2 of Section 18, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

3. And for such other relief as the Division  
may deem appropriate in the premises.

A handwritten signature in black ink, appearing to read "Ernest L. Padilla", written over a horizontal line.

ERNEST L. PADILLA  
Attorney for Applicant

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Telephone: 505-988-7577

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2. That Applicant proposes to drill a well at a standard location on said lands.

3. That the Applicant will dedicate said lands to the well and desires to be designated as the operator.

4. That the Applicant has obtained the consent of the working interest and royalty owners in the proposed proration unit except for the following:

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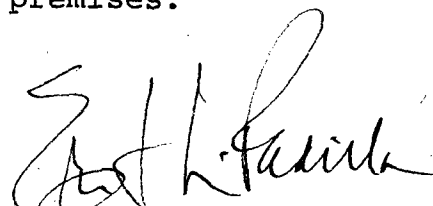
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