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*Case 15658*

February 28, 2017

Fl rene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of NM&O Operating Company, are an application for compulsory pooling, together with a proposed advertisement. Please set this matter for the March 30, 2017 Examiner hearing. Thank you.

Very truly yours,

  
James Bruce

Attorney for NM&O Operating Company

**PERSONS BEING NOTIFIED**

Arriba Company, Ltd.  
P.O. Box 35304  
Tulsa, Oklahoma 74153

Arriba Company, L.L.C.  
P.O. Box 35304  
Tulsa, Oklahoma 74153

Mabel Reed, Trustee of the  
Warren Clark Trust  
P.O. Drawer 310  
Bastrop, Texas 78602

Carolyn Clark Oatman  
P.O. Drawer 310  
Bastrop, Texas 78602

Mabel Reed and W. W. Oatman,  
Trustees of the Warren Clark  
Oatman Testamentary Trust  
P.O. Drawer 310  
Bastrop, Texas 78602

Hooper, Kimball & Williams, Inc.  
P.O. Box 521173  
Tulsa, Oklahoma 74152

Van K. Bullock  
16243 River Haven Way  
Morrison, Colorado 80465

Southland Royalty Company LLC  
400 West 7<sup>th</sup> Street  
Fort Worth, Texas 76102

Freeport-McMoRan Inc.  
333 North Central Avenue  
Phoenix, Arizona 85004

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**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF NM&O OPERATING COMPANY  
FOR COMPULSORY POOLING, RIO ARRIBA COUNTY,  
NEW MEXICO.**

Case No. 15658

**APPLICATION**

NM&O Operating Company applies for an order pooling all mineral interests in the Mesaverde formation underlying the S½ of Section 35, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S½ of Section 35, and has the right to drill a well thereon.
2. Applicant has drilled its Hawk Well No. 3 to a depth sufficient to test the Mesaverde formation (Blanco-Mesaverde Gas Pool). Applicant has dedicated the S½ of Section 35 to the well to form a standard 320 acre gas spacing and proration unit. The well has a surface location in the NW¼SE¼ Section 35.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S½ of Section 35 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 failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the S½ of Section 35, pursuant to NMSA 1978 §§70-2-17.
5. The pooling of all mineral interests underlying the S½ of Section 35 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the Mesaverde formation underlying the S½ of Section 35; and
- B. Designating applicant as operator of the well.

Respectfully submitted,



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Santa Fe, New Mexico 87504  
(505) 982-2043  
[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

Attorney for NM&O Operating Company

PROPOSED ADVERTISEMENT

Case No. 15658:

*Application of NM&O Operating Company for compulsory pooling, Rio Arriba County, New Mexico.* Applicant seeks an order pooling all mineral interests in the Mesaverde formation (Blanco-Mesaverde Gas Pool) underlying the S/2 of Section 35, Township 25 North, Range 2 West, NMPM, to form a standard 320 acre gas spacing and proration unit. The unit is dedicated to the Hawk Well No. 3, located at an orthodox location in the NW/4SE/4 of Section 35. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 2-1/2 miles north of Lindrith, New Mexico.

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