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November 8, 1982

OF COUNSEL CLARENCE E. HINKLE ROY C. SNODGRASS, JR. O. M. CALHOUN

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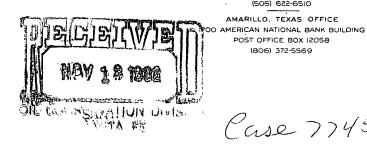
AMARILLO, TEXAS OFFICE

POST OFFICE BOX 12058 (806) 372-5569

Pase 7745

"NOT LICENSED IN TEXAS

Mr. Dan Nutter Oil Conservation Division Post Office Box 2088 Santa Fe, New Mexico 87501



Re: Maralo Inc. Application for Compulsory Pooling -- Eddy County, New Mexico

Dear Dan:

I am transmitting herewith, executed in triplicate, copies of the following Application:

Application for Compulsory Pooling in connection with a well to be drilled in the W2 Section 12, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

Please note that we have requested that this Application be set for hearing before the Division at its regular hearing on November 23, 1982.

If any additional materials or information are required, please advise.

Very truly yours,

HINKLE, COX, EATON, COFFIELD & HENSLEY

Conrad E.

CEC:cl

John Burke copy: Maralo Inc. 4600 Post Oak Place, Suite 307 Houston, Texas 77027

> Mr. Owen Lopez/Hinkle Law Firm Santa Fe, New Mexico

BEFORE THE OIL CONSERVATION DIVISION OF THE ENERGY AND MINERALS DEPARTMENT

STATE OF NEW MEXICO

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APPLICATION OF MARALO INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

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Case 7.745

APPLICATION

Maralo Inc. by its undersigned attorneys, hereby makes application for an Order pooling all interests from the surface to down to and including the Morrow formation underlying the W¹/₂ Section 12, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show:

1. Applicant is entitled to proceed with the drilling of a well located in the W¹₂ of Section 12, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, under the authority of Applicant's ownership of an oil and gas leasehold interest therein.

2. Applicant proposes to drill a well at a legal location in said W¹₂ Section 12, to test horizons from the surface down to and including the Morrow formation and seeks to dedicate the W¹₂ of Section 12 to the well. Applicant requested the party listed on the attached schedule, as leasehold owner of mineral interests in W¹₂ Section 12, to agree to participate in the drilling of said well or otherwise commit its interests to said well, but the party so far has refused to do so.

3. Applicant asks that the Division consider the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charged for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

4. The pooling of all interests from the surface down to and including the Morrow formation in W¹/₂ Section 12 will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

5. Applicant respectfully requests the setting of this matter before the Division at its regular hearing on November 23, 1982.

Dated this 8th day of November , 1982.

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HINKLE, COX, EATON, COFFIELD & HENSLEY

By: < Conrad E. Coffield Post Office Box 3580 Midland, Texas 79702 Attorneys for Maralo Inc.

SCHEDULE

Tenneco Oil Exploration & Production 6800 Park Ten Blvd., Suite 200 North San Antonio, Texas 78213

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