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Oil Conservation Division

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF HALLWOOD PETROLEUM, INC.
FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO

CASE NO. 11220

AMENDED APPLICATION

HALLWOOD PETROLEUM, INC., through its undersigned attorneys, hereby makes amended application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all of the mineral interests in the N/2 of Section 12, Township 31 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, and in support thereof states:

1. Applicant owns or represents over 37.5% of the working interest in the N/2 of said Section 12, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Federal B2-12 well to be drilled at a standard location in the N/2 of said Section 12 at a point 790 feet from the North line and 2510 feet from the East line, to a depth sufficient to test any and all formations from the surface to the base of the Fruitland Coal formation, including the Fruitland formation and Basin-Fruitland Coal Gas Pool.
3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the N/2 of said Section 12.

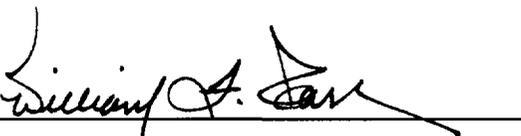
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this amended application be set for hearing before an Examiner of the Oil Conservation Division on March 16, 1995 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR
TANYA M. TRUJILLO
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR HALLWOOD
PETROLEUM, INC.