

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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JUL 3 1995

Oil Conservation Division

CASE NO. 11343

IN THE MATTER OF THE APPLICATION
OF SANTA FE ENERGY RESOURCES, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

APPLICATION

SANTA FE ENERGY RESOURCES, INC., through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all of the mineral interests in all formations developed on 320-acre spacing in the N/2 of Section 27 in all formations developed on 160-acre spacing in the NW/4 of Section 27 and in all formations developed on 80-acre spacing in the E/2 NW/4 of Section 27, Township 21 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Applicant is a working interest owner in the N/2 of Section 27 and has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced spacing or proration units to its Spessartine "27" State Well No. 1 to be drilled at a standard location 1980 feet from the North and West lines of Section 27, to a depth sufficient to test any and all formations from the surface to the base of the Morrow formation, Undesignated Legg Atoka-Morrow 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 27.

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

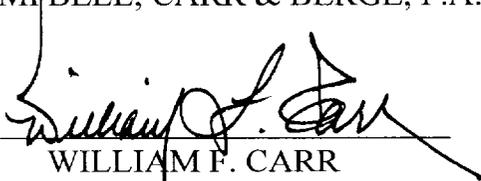
5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 27, 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, P.A.

By:



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

ATTORNEYS FOR SANTA FE ENERGY
RESOURCES, INC.