

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY
RESOURCES, INC. FOR COMPULSORY
POOLING, EDDY NEW MEXICO

Case No. 11491

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)
COUNTY OF NEW MEXICO) ss.

James Bruce, being duly sworn upon his oath, deposes and states:

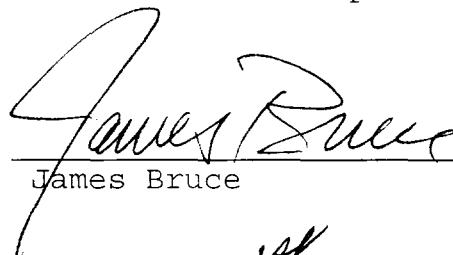
1. I am over the age of 18, and have personal knowledge of the matters stated herein.

2. I am an attorney for Applicant.

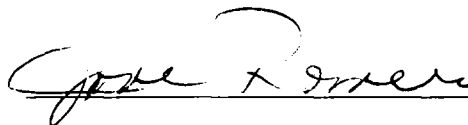
3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the Application filed herein.

4. Notice of the Application was provided to the interest owner at its correct address by mailing it, by certified mail, a copy of the Application. Copies of the notice letter and certified return receipt are attached hereto as Exhibit A.

5. Applicant has complied with the notice provisions of Division Rule 1207.


James Bruce

SUBSCRIBED AND SWORN TO before me this 1st day of April, 1996, by James Bruce.


Cory R. Orner

My Commisssion Expires:

9.7.99

NEW MEXICO
OIL CONSERVATION DIVISION

 EXHIBIT 4

CASE NO. 11491

HINKLE, COX, EATON, COFFIELD & HENSLEY,
L.L.P.

ATTORNEYS AT LAW

218 MONTEZUMA POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504-2068
(505) 982-4554 FAX (505) 982-8623

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CLARENCE E. HINKLE (1904-1985)

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KAROLYN KING NELSON
ELLEN T. LOUDERBOUGH
JAMES H. WOOD*
NANCY L. STRATTON
TIMOTHY R. BROWN
JAMES C. MARTIN

*NOT LICENSED IN NEW MEXICO

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

P023913 280

February 27, 1996

Meridian Oil Inc.
P. O. Box 51810
Midland, Texas 79710-1810

Attention: Leslyn Swierc

Ladies and Gentlemen:

Enclosed is an application for compulsory pooling filed at the New Mexico Oil Conservation Division by Santa Fe Energy Resources, Inc. regarding the N $\frac{1}{4}$ of Section 20, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Santa Fe's records indicate that you own an interest in the proposed well unit. This matter has been scheduled for hearing on Thursday, March 21, 1996 at 8:15 a.m. at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date.

Very truly yours,

HINKLE, COX, EATON, COFFIELD,
& HENSLEY, L.L.P.

James Bruce
James Bruce

Attorneys for Santa Fe Energy
Resources, Inc.

JB/yrk

Enclosure



POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-6510
FAX (505) 623-9332

POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683-6518

POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9761

POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

401 W. 15TH STREET, SUITE 800
AUSTIN, TEXAS 78701
(512) 476-7137
FAX (512) 476-5431

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY
RESOURCES, INC. FOR COMPULSORY
POOLING, EDDY COUNTY, NEW
MEXICO

NO. _____

APPLICATION

Santa Fe Energy Resources, Inc. hereby makes application for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N $\frac{1}{4}$ of Section 20, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in N $\frac{1}{4}$ of said Section 20.

2. Applicant proposes to drill its Foal Fed. Well No. 1 in Section 20, at an orthodox well location 660 feet from the North line and 1,980 feet from the West line of the Section, to a depth sufficient to test the Morrow formation (approximately 12,600 feet), and seeks to dedicate the following acreage to the well:

(a) The N $\frac{1}{4}$ of Section 20 for all pools or formations spaced on 320 acres, including the Undesignated Dublin Ranch-Atoka Gas Pool, the Undesignated Dublin Ranch-Morrow Gas Pool, and the Undesignated Otis-Morrow Gas Pool;

(b) The NW $\frac{1}{4}$ of Section 20 for all pools or formations spaced on 160 acres; and

(c) The NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 20 for all pools or formations spaced on 40 acres, including the Undesignated Indian Draw-Delaware Pool and the Undesignated Herradura Bend-Cherry Canyon Pool.

3. Applicant has in good faith sought to join all other mineral or leasehold interest owners in the N½ of Section 20 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral or leasehold 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 the well or otherwise dedicate their acreage to the well. Therefore, Applicant seeks an order pooling all mineral or leasehold interest owners underlying the N½ of Section 20, as described above, pursuant to N.M. Stat. Ann. § 70-2-17 (1995 Repl. Pamph.).

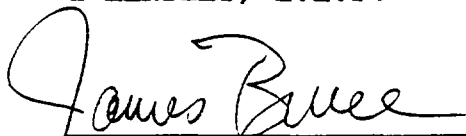
5. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.

6. The pooling of all interests underlying the N½ of Section 20, as described above, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that the Division grant the relief requested above.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD,
& HENSLEY, L.L.P.

A handwritten signature in dark ink, appearing to read "James Bruce". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

James Bruce
P. O. Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Santa Fe Energy
Resources, Inc.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/ or additional services.
- Complete items 3, 4a, b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also want to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Leslyn Swierc

MERIDIAN OIL, INC.

P. O. BOX 51810

MIDLAND, TEXAS 79710-1810

4a. Article Number

P023913280

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery MAR - 1 1996

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

PS Form 3811, June 1991

State and No.	Meridian Oil
State and ZIP Code	P.O. Box 51810
Postage	Midland, TX 79710
Certified Fee	\$.55
Special Delivery Fee	1.10
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$150.55
mark or Date	



Receipt for Certified Mail
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

P 023 913 280