

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

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN

MICHAEL H. FELDEWERT
TANYA M. TRUJILLO
PAUL R. OWEN

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

August 13, 1996

11/6/96

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

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AUG 13 1996

Oil Conservation Division

Re: Application of Naumann Oil & Gas, Inc., for Compulsory Pooling, Eddy
County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is an Application of Naumann Oil & Gas, Inc. in the above-referenced case as well as a copy of a legal advertisement. Naumann Oil & Gas, Inc. respectfully requests that this matter be placed on the docket for the September 5, 1996 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc: David Frye (w/enclosures)
Naumann Oil & Gas, Inc.
Post Office Box 261324
Plano, TX 75026-1324

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF NAUMANN OIL & GAS, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

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APR 1 1996

Oil Conservation Division

CASE NO. 11607

APPLICATION

NAUMANN OIL & GAS, INC. ("Naumann"), 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 mineral interests from the surface to the base of the Bone Spring formation underlying the W/2 SE/4 of Section 33, Township 22 South, Range 28 East, in the following described manner: the W/2 SE/4 forming a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing; and the SW/4 SE/4 forming a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing, and in support thereof states:

1. Naumann is a working interest owner in the W/2 SE/4 of Section 33 and proposes to reenter and recomplete the currently plugged and abandoned Shalk Federal "33" Com. No. 1 well located at an orthodox location 660 feet from the South line and 1980 feet from the East line of Section 33 and test any and all formations from the surface to the base of the Bone Spring formation, Undesignated South Culebra Bluff-Bone Spring Pool.

2. Naumann has sought and been unable to obtain either voluntary agreement for

pooling or farmout from certain interest owners in the W/2 SE/4 of said Section 33.

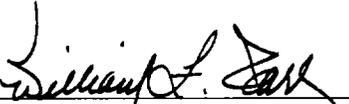
3. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

4. In order to permit Naumann 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.

WHEREFORE, Naumann Oil & Gas, Inc. prays that this application be set for hearing before an Examiner of the Oil Conservation Division on September 5, 1996 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Naumann operator of the W/2 SE/4 of said Section 33, and authorizing Naumann to recover its costs of drilling, equipping and recompleting the well, its costs of supervision while drilling and after recompletion, including overhead charges, imposing a risk factor for the risk assumed by Naumann in drilling, equipping and recompleting the well.

Respectfully submitted,

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

By:  _____

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR NAUMANN
OIL & GAS, INC.

CASE 11607

Application of Naumann Oil & Gas, Inc., for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation, Undesignated South Culebra Bluff-Bone Spring Pool, underlying the W/2 SE/4 of Section 33, Township 22 South, Range 28 East in the following described manner: the W/2 SE/4 forming a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing; and the SW/4 SE/4 forming a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing. Applicant proposes to dedicate this pooled unit to the Shalk Federal "33" Com. Well No. 1 to be reentered at a standard location 660 feet from the South line and 1980 feet from the East line of said Section 33. Also to be considered will the cost of drilling and recompleting said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 4 miles north of Loving, New Mexico.

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APR 14 1996

Oil Conservation Division