

JIM PIERCE

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OIL AND GAS PROPERTIES
SUITE 859
PETROLEUM BUILDING
200 WEST FIRST
ROSWELL, NEW MEXICO 88201

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June 5, 1997

State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

11821

Attention: Ms. Florene Davidson

Re: Compulsory Pooling Request
Section 28: SW/4
T-16-S, R-37-E, NMPM,
Lea County, New Mexico

Dear Ms. Davidson:

I, hereby, request application for Compulsory Pooling of the unleased, undivided mineral interest (10 acres±) in the above captioned land.

I refer to my previous application in early 1995, Case No. 11224, which was granted and later dismissed due to my client's inability to complete the exploration plans.

Again, we propose to re-enter the Shell Homestake #1 well (SWSW) to a depth sufficient to test the Strawn formation at 12,000'±, 80 acre proration.

We have a secondary objective in the Paddock formation at 6,700'± and 40 acre spacing.

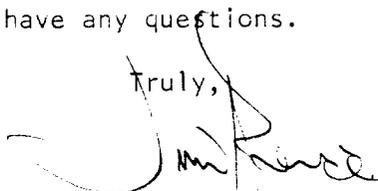
If commercial production is obtained, additional wells are scheduled for the entire 160 acre leasehold.

Current bonded operator for the project is Paloma Resources, Inc., P.O. Box 1814, Roswell, New Mexico 88202-1814.

I appreciate your help and consideration.

Please contact me if you have any questions.

Truly,



Jim Pierce

JP/lm