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NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

September 8, 1998

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OIL CONSERVATION DIV

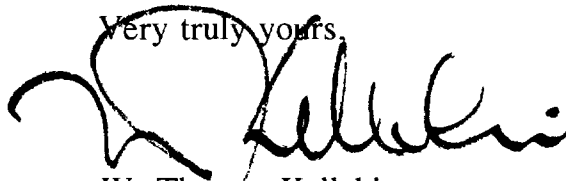
Ms. Lori Wrotenbery, Director
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

**Re: Greer Well No. 4
N/2 Section 21, T22S, R36E
Application of Anadarko Petroleum Corporation
for compulsory pooling and an unorthodox location,
Lea County, New Mexico**

Dear Ms. Wrotenbery:

On behalf of Anadarko Petroleum Corporation, please find enclosed the referenced application which we request be set for hearing on the Examiner's docket now scheduled for October 22, 1998. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,



W. Thomas Kellahin

cc: Anadarko Petroleum Corporation
Attn: Patrick S. Smith

CASE ____ : Application of Anadarko Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted royalty and overriding royalty interest owners with respect to any production from the Devonian, McKee and Ellenburger formations underlying the N/2 of Section 21, T22S, R36E, NMPM, Lea County, New Mexico to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently may include but is not necessarily limited to the Langley-Allenburger Gas Pool. Said unit is to be dedicated to its Greer Well No. 4 to be drilled and completed at an unorthodox gas well location 1600 feet FNL and 321 feet FWL (Unit E) of said Section 21. Said unit is located approximately 8 miles southwest of Eunice, New Mexico.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION
OF ANADARKO PETROLEUM CORPORATION
FOR COMPULSORY POOLING AND AN
UNORTHODOX GAS WELL LOCATION
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Comes now ANADARKO PETROLEUM CORPORATION, by its attorneys, Kellahin & Kellahin, and in accordance with Section 70-2-17(c) (1978) applies to the New Mexico Oil Conservation Division for an order pooling all uncommitted royalty and overriding royalty interest owners with respect to any production from the Devonian, McKee and Ellenburger formations underlying the N/2 of Section 21, T22S, R36E, NMPM, Lea County, New Mexico to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently may include but is not necessarily limited to the Langley-Ellenburger Gas Pool. Said unit is to be dedicated to its Greer Well No. 4 to be drilled and completed at an unorthodox gas well location 1600 feet FNL and 321 feet FWL (Unit E) of said Section 21.

In support of its application, Anadarko Petroleum Corporation, ("Anadarko") states:

1. Anadarko has a working interest ownership and contractual rights to drill in the oil and gas minerals from 4,000 feet below the surface to the base of the Ellenburger formation underlying the N/2 of Section 21, T22S, R36E, NMPM, Lea County, New Mexico.
2. The subject tract is located within one-mile of the current boundary of the Langley-Ellenburger Gas Pool.

3. Anadarko has proposed and obtained the agreement of 100% of the working interest owners for the drilling of its Greer Well No. 4 to be located at an unorthodox gas well location 1600 feet FNL and 321 feet FWL of said Section 21 and the dedication of the well to a standard gas proration and spacing unit consisting of the N/2 of said Section 21 for any and all production from the Devonian, McKee and/or Ellenburger formation which are spaced on 320-acre spacing.

4. This spacing unit consists of two fee leases; the Annie C. Christmas Lease consisting of the NE/4 and the Henry D. Greer lease consisting of the NW/4 of this section. These lease were granted in 1926 and 1927 and do not contain voluntary pooling clauses which would allow for the consolidation and proportionate allocation of the royalty or overriding interests to form a voluntary unit of 320-acres in compliance with Division rules.

5. Anadarko has attempted to contact all 87 royalty and overriding royalty interest owners and has obtained written approval from 53 of those owners agreeing to pool their respective interest in these two leases together for a voluntary 320-acre spacing unit for the subject well

6. Despite its good faith efforts, Anadarko has been unable to obtain a written voluntary agreement from those remaining 34 royalty and overriding royalty interest owner listed on Exhibit "A".

7. Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, Anadarko needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

8. In accordance with the Division's notice requirements, a copy of this application has been sent to the parties whose interest is to be pooled as listed on Exhibit "A" and those parties towards whom the well encroaches notifying each of this case and of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for September 17, 1998.

WHEREFORE, applicant requests that this application be set for hearing on October 22, 1998 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interests described in the appropriate spacing unit for the drilling of the subject well at a standard gas well location upon terms and conditions which include:

(1) Provisions for pooling all nonconsenting royalty interests and overriding royalty interests underlying this spacing unit for any and all production from the Devonian, McKee and/or Ellenburger formations so that said owners shall share in any said production on a proportionate basis.

(2) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written in a cursive style.

W. THOMAS KELLAHIN
KELLAHIN & KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87501
(505) 982-4285

Exhibit "A"

OFFSET OPERATOR

Conoco Inc.
10 Desta Drive, Ste 100W
Midland, Texas 79705
Attn: Jimmy Carlile

UNCOMMITTED ROYALTY AND OVERRIDING ROYALTY OWNERS

Betty Adkins
7107 S. Hudson Circle
Little, CO 80122

Alann P. Bedford Trust
1235 Kingston Ave
Alexandria, VA 22302

Lyman P. Anderson
P. O. Box 674
Dickinson, TX 77539

Mary Jane Andrews
3908 Lexington Dr.
Alexandria, LA 71303

Susan E. Bowen
2851 Invale Dr.
Glendale CA 91208

Joyce Ann Brown
P. O. Box 72
Watrous, NM 87753

B. A. Christmas, Jr. Estate
P. O. Box 1501
Montrose, CO 81402

Hugh Corrigan, III
P. O. Box 50460
Midland, Tx 79710

J. Pat Corrigan
P. O. Box 690068
Vero Beach, FL 32969

Beverly Bowen DeLucia
8454 Day St.
Sunland, CA 91040-3258

Donaldson Brown Trust
P. O. Box 1183
Abingdon, Md 21009

Sue Hess Edmonson
5858 Valley Forge Dr.
Houston, TX 77057

Elyse Saunders Patterson Trust
P. O. Box 13366
Kansas City, MO 64199-3366

Headington Royalty Inc.
P. O. Box 890479
Dallas, TX 75389-0479

Baren Healey Trust
P. O. Box 888
Davis OK 73030

Burke Healey Trust
P. O. Box 100
Davis, OK 73030

Elizabeth J. Jackson Trust
315 Second Ave
P. O. Box 189
Warren, PA 16365
John H. Hendrix Corp.

Peter F. Jones
15 Eastwind #9
Marina Del Rey, Ca 90292

Julia Jones Matthews Living Trust
P. O. Box 176
Abilene Tx 79604

Allie M. Lee Trust
P. O. Box 659566
San Antonio, Tx 78265-9566

Louis Luskey
4104 Warnock Court
Fort Worth, Tx 76109-4726

Mobil Producing
P. O. Box 890328
Dallas, TX 75389-0328

MWJR Petroleum Corp.
P. O. Box 840133
Dallas, TX 75284-0133

NOR-TEX Gas Corp.
P. O. Box 515946
Dallas, TX 75251

Paul M. Phillips
3843 Park Blvd, Ste A
San Diego, CA 92301

Sabine Royalty Trust
c/o Nations Bank of Texas
Dept 0887
Dallas, Tx 75284-0887

Shriners' Hospital
P. O. Box 277457
Atlanta, GA 30384-7457

Andrea C. Wiggins
P. O. Box 50331
Midland, TX 79710-0331

Wiser Oil Company
P. O. Box 640454
Pittsburgh, PA 15264-0454

Irene Fardon Glaister
c/o Fardon House
Froglane
Milton-under-Wynchwood
Oxon, England 18-5/80495

Rachel Fardon
Castro
Upper Rose Hill
Dorking Surry, England

John W. Phillips
P. O. Box 1059
Menlo Park, CA 94026

June D. Speight
P. O. Drawer 1687
Lovington, NM 88260

Charles R. Wiggins
P. O. Box 10862
Midland, Texas 79702