

**BEFORE THE
OIL CONSERVATION DIVISION**

**NEW MEXICO DEPARTMENT OF ENERGY,
MINERALS AND NATURAL RESOURCES**

**IN THE MATTER OF THE APPLICATION
OF SHACKELFORD OIL COMPANY
FOR COMPULSORY POOLING,
LEASE COUNTY, NEW MEXICO**

CASE NO. 12103

APPLICATION

SHACKELFORD OIL COMPANY, 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 40 acre spacing from the surface to the base of the Delaware formation in the SE/SE Section 3, T20S R33E, Lea County, New Mexico, and in support thereof states:

- 1. Applicant owns or represents approximately 18.611% of the working interest in and under the SE/SE of Section 3, and Applicant has the right to drill thereon.**
- 2. Applicant proposes to dedicate the above-referenced spacing or proration unit to a well to be drilled at an orthodox location in the SE/SE of Section 3, to a depth of approximately 8,200 feet to test all formations to the base of the Delaware formation.**
- 3. Applicant has sought voluntary agreement for pooling or farmout from all other interest owners in the SE/SE of said Section 3, but has been unsuccessful in obtaining agreement from the following parties:**

**Samson Resources Company
Two W. Second Street
Tulsa, Oklahoma 74103**

75% W. I.

**Merit Energy Company
12222 Merit Avenue
Dallas, Texas 75251-2217**

6.389%

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

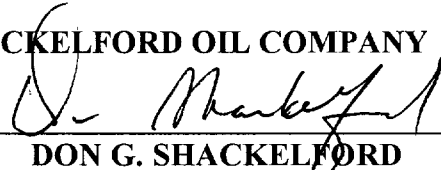
5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the minerals interests should be pooled and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before an Examiner of the oil Conservation Division on December 17, 1998 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,

SHACKELFORD OIL COMPANY

By: _____


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