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March 10, 2000

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87503

2311

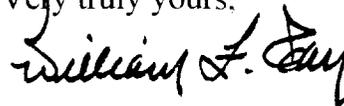
RECEIVED
OIL CONSERVATION DIV.
MARCH 10 PM 4:02

Re: Application of Texaco Exploration and Production Inc. for Compulsory Pooling, Lea County, New Mexico.

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Texaco Exploration and Production Inc. in the above-referenced case as well as a copy of the legal advertisement. Texaco Exploration and Production Inc. requests that this application be set for hearing before a Division Examiner on April 6, 2000.

Very truly yours,



William F. Carr

WFC/md

Enclosures

cc: Mr. Mike Mullins (w/enclosures)
Texaco Exploration and Production Inc.
Post Office Box 3109
Midland, Texas 79702

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

**IN THE MATTER OF THE APPLICATION
OF TEXACO EXPLORATION AND
PRODUCTION INC. FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. 12374

OIL CONSERVATION DIV.
JAN 10 11 4:02

APPLICATION

TEXACO EXPLORATION AND PRODUCTION INC. ("Texaco"), 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 base of the Queen formation to the base of the Morrow formation underlying the following described acreage in Section 17, Township 16 South, Range 321 East, N.M.P.M., Lea County, New Mexico:

- A. the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within this vertical extent,
- B. the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within this vertical extent,
- C. The S/2 NE/4 to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within this

vertical extent, and

APPLICATION,

Page 2

- D. The SW/4 NE/4 to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within this vertical extent

and in support of its application states:

1. Texaco is a working interest owner in the N/2 of said Section 17 and has the right to drill thereon.
2. Texaco proposes to dedicate the above-referenced spacing or proration units to its Texmack "17" State Com Well No. 1 to be drilled as a wildcat well at a standard location 1980 feet from the North and East lines (Unit G) of Section 17.
3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the subject spacing units identified on Exhibit A to this application.
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, all mineral interests should be pooled, and Texaco should be designated the operator of the well to be drilled.

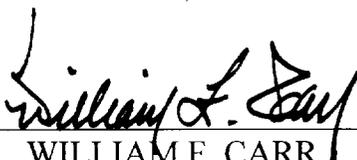
WHEREFORE, Texaco Exploration and Production, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 6, 2000,

and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Texaco Exploration and Production, Inc. operator of these units and the well to be drilled thereon,
- C. authorizing Texaco to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a 200% penalty for the risk assumed by the Texaco in drilling and completing the well against any working interest owner who does not voluntarily participate in 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 TEXACO EXPLORATION
AND PRODUCTION, INC.

EXHIBIT A

**APPLICATION OF
TEXACO EXPLORATION AND PRODUCTION INC.
FOR COMPULSORY POOLING
N/2 OF SECTION 17, TOWNSHIP 16 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO**

Atlantic Richfield Company
Attention: Lee Scarborough
Post Office Box 1610
Midland, Texas 79702

Altura Energy, Ltd.
Attention: Jerry D. West
Post Office Box 4294
Houston, Texas 77210-4294

CASE 12371:

Application of Texaco Exploration and Production Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the base of the Queen formation to the base of the Morrow formation, underlying the following described acreage in Section 17 Township 16 South, Range 32 East, in the following manner: (a) the N/2 to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, (b) the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing, the S/2 NE/4 to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acres spacing, and the SW/4 NE/4 to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing. These units are to be dedicated to a single well, the proposed Texmack "17" State Com Well No. 1 to be drilled as a wildcat well at a standard location in the SW/4 NE/4 of Section 17. Also to be considered will be the cost of drilling and completing 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. The proposed well location is approximately 4 miles northwest of Maljamar, New Mexico.

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ONGARD
INQUIRE LAND BY SECTION

03/10/00 16:53:21
OGOMES -TPIC
PAGE NO: 1

Sec : 17 Twp : 16S Rng : 32E Section Type : NORMAL

D 40.00 CS E06267 0001 GETTY OIL CO & TH R 06/10/62	C 40.00 CS E06267 0001 GETTY OIL CO & TH R 06/10/62	B 40.00 CS E06267 0001 GETTY OIL CO & TH R 06/10/62	A 40.00 CS K01282 0003 ALTURA ENERGY LTI R 03/21/71
E 40.00 CS E06267 0001 GETTY OIL CO & TH R 06/10/62	F 40.00 CS E08160 0000 ATLANTIC RICHFIEL R 05/18/64	G 40.00 CS E08160 0000 ATLANTIC RICHFIEL U R 05/18/64 A	H 40.00 CS E08160 0000 ATLANTIC RICHFIEL U R 05/18/64 A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
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ONGARD
INQUIRE LAND BY SECTION

03/10/00 16:53:25
OGOMES -TPIC
PAGE NO: 2

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M 40.00 CS K00867 0003 ALTURA ENERGY LTD U 10/18/70 A	N 40.00 CS K00867 0003 ALTURA ENERGY LTD U 10/18/70 A	O 40.00 CS B09683 0000 CONOCO INC U 06/10/52 A	P 40.00 CS B11214 0001 MOBIL PRODUCING T U 05/10/54 A

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PF07 BKWD PF08 FWD PF03 EXIT PF04 GoTo PF05
PF09 PRINT PF10 SDIV PF11 PF06
PF12

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OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

03/10/00 16:53:49
OGOMES -TPIC

API Well No : 30 25 20564 Eff Date : 01-01-1900 WC Status : A
Pool Idn : 45709 MESA;QUEEN (ASSOC)
OGRID Idn : 25482 XERIC OIL & GAS CORP
Prop Idn : 11885 MESA QUEEN UNIT

Well No : 019
GL Elevation: 4351

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: O	17	16S	32E	FTG 990 F S	FTG 1650 F E	A

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : S

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC