

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

**IN THE MATTER OF THE APPLICATION
OF LOUIS DREYFUS NATURAL GAS
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 12384

OIL CONSERVATION DIV.
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APPLICATION

LOUIS DREYFUS NATURAL GAS ("Louis Dreyfus"), 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 formations from 4000 feet to the base of the Morrow formation in the following described spacing and proration units in the W/2 of Section 34, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico:

- A. the W/2 for all formations and/or pools developed on 320-acre spacing and proration units which includes but is not necessarily limited to the Undesignated South Empire (Morrow) Gas Pool;
- B. the NW/4 for all formations and/or pools developed on 160-acre spacing and proration units;
- C. the W/2 NW/4 for all formations and/pools developed on 80-acre spacing and proration units; and
- D. The SW/4 NW/4 for all formations and/or pools developed on 40-acre spacing and proration units.

In support of its application, Louis Dreyfus Natural Gas states:

1. Louis Dreyfus is a working interest owner in the W/2 of Section 34 and has the right to drill thereon.

2. Louis Dreyfus proposes to dedicate the above-referenced spacing or proration units to its Geronimo 34 State Com Well No. 1 to be drilled at a standard location in the NW/4 (Unit E) of said Section 34, to a depth sufficient to test any and all formations from the depth of 4000 feet to the base of the Morrow formation.

3. Louis Dreyfus Natural Gas 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 Louis Dreyfus Natural Gas to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Louis Dreyfus Natural Gas should be designated the operator of the well to be drilled.

WHEREFORE, Louis Dreyfus Natural Gas requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 20, 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 Louis Dreyfus Natural Gas operator of these units and the well to be drilled thereon;

- C. authorizing Louis Dreyfus Natural Gas 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 penalty for the risk assumed by Louis Dreyfus Natural Gas in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well

Respectfully submitted,

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

By: _____



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ATTORNEYS FOR LOUIS DREYFUS NATURAL GAS

EXHIBIT A

**APPLICATION OF
LOUIS DREYFUS NATURAL GAS
FOR COMPULSORY POOLING
W/2 OF SECTION 34, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO**

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

The Moore Trust UTA 7/1/1971
310 West Wall, Suite 404
Midland, Texas 79701
Attn: Cynthia L. Bennett

Marathon Oil Company
Post Office Box 552
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Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Marbob Energy Corporation
Post Office Box 227
Artesia, New Mexico 88211

CASE 12384:

Application of Louis Dreyfus Natural Gas for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the depth of 4000 feet to the base of the Morrow formation, Undesignated South Empire (Morrow) Gas Pool, underlying the following described acreage in Section 34, Township 17 South, Range 28 East in the following manner: (a) the W/2 for any formations and/or pools developed on 320-acre spacing; (b) the NW/4 for any formations and/or pools developed on 160-acre spacing; (c) the W/2 NW/4 for any formations and/or pools developed on 80-acre spacing; and (d) the SW/4 NW/4 for any formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to Applicant's Geronimo 34 State Com Well No. 1 to be drilled at a standard location in the NW/4 of said Section 34. 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 Louis Dreyfus Natural Gas as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 14 miles East of Artesia, New Mexico.