

**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,
CHAVES COUNTY, NEW MEXICO.**

OIL CONSERVATION DIV.
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CASE NO. 2385

APPLICATION

TEXACO EXPLORATION AND PRODUCTION INC ("Texaco"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat.Ann., Section 70-2-17, (1978), for an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation in the W/2 of Section 36, Township 15 South, Range 31 East, N.M.P.M., Chaves County, New Mexico, in the following manner: the W/2 for all formations and/or pools developed on 320-acre spacing; the NW/4 for all formations/pools developed on 160-acre spacing; the S/2 NW/4 for all formations/pools developed on 80-acre spacing; and, the SE/4 NW/4 for all formations/pools developed on 40-acre spacing. In support of this application, Texaco states:

1. Texaco is a working interest owner in the W/2 of said Section 36 and has the right to drill thereon.
2. Texaco proposes to dedicate the above-referenced spacing or proration units to its proposed Dulce "36" State Com Well No. 1, to be drilled as a wildcat well at a

standard location in the SE/4 NW/4 of said Section 36, to a depth sufficient to test the Morrow formation, to test any and all pooled formations to the base of the Morrow formation.

3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain owners of interest in the subject spacing units, which owners are 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 Exploration and Production Inc. 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 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 Texaco Exploration and Production Company operator of the 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 penalty for the risk assumed by Texaco 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 TEXACO
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INC.

EXHIBIT A

**APPLICATION OF
TEXACO EXPLORATION AND PRODUCTION INC.
FOR COMPULSORY POOLING
W/2 OF SECTION 36, TOWNSHIP 15 SOUTH, RANGE 31 EAST, N.M.P.M.
CHAVES COUNTY, NEW MEXICO**

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