

PROPOSED ADVERTISEMENT

Case 12780 : Application of Preston Exploration Company, L.P. for compulsory pooling and approval of a non-standard oil spacing and proration unit, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying Lot 3 of Section 4, Township 17 South, Range 38 East, NMPM to form a non-standard 38.08-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent. The unit is to be dedicated to applicant's E.S. Schapp Well No. 1, to be drilled at an orthodox bottomhole location in Lot 3 of Section 4. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Preston Exploration, L.L.C. as operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 3½ miles northwest of Knowles, New Mexico.