CAMPBELL & BLACK, P.A.

LAWYERS

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July 29, 1991

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OIL CONSERVATION DIVISION

10373

William J. LeMay, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources State Land Office Building Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Parker & Parsley Development Company for Compulsory Pooling, Rio Arriba County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Parker & Parsley Development Company in the above-referenced case. Parker & Parsley Development Company respectfully requests that this matter be placed on the docket for the August 22, 1991 Examiner hearings.

Very truly yours,

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WILLIAM F. CARR

WFC:mlh Enclosure cc w/enclosure: Mr. Bill Seltzer

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES RECEIVED

IN THE MATTER OF THE APPLICATION OF PARKER & PARSLEY DEVELOPMENT COMPANY FOR COMPULSORY POOLING, RIO ARRIBA COUNTY, NEW MEXICO. JUL 2: 9: 1991 OIL CONSERVATION DIVISION CASE NO. <u>10:372</u>

APPLICATION

PARKER & PARSLEY DEVELOPMENT COMPANY, 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 of the mineral interests in all formations developed on 320-acre spacing from the surface to the base of the Pictured Cliffs formation in the S/2 of Section 33, Township 31 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof states:

1. Applicant owns or represents approximately 98% of the working interest in and under the S/2 of Section 33, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location 1695 feet from the South line and 1905 feet from the West line of said Section 33, to a depth of approximately 3,600 feet to test the Fruitland formation, Basin-Fruitland Coal Gas Pool.

3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from Meridian Oil Inc., Post Office Box 4289, Farmington, New Mexico 87499-4289 the owner of a 1.8% working interest in the S/2 of Section 33. 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 mineral 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 August 22, 1991 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.

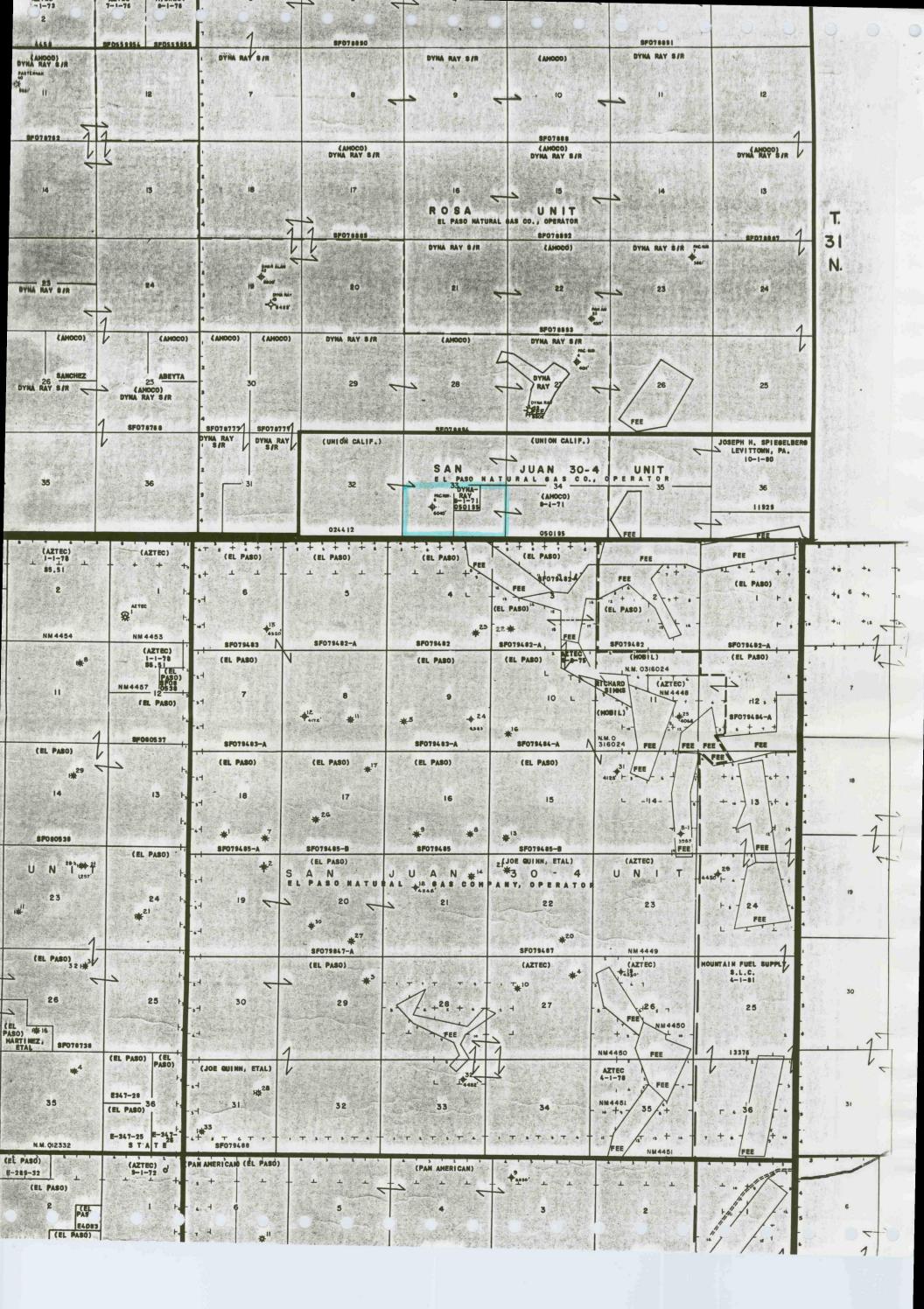
Respectfully submitted,

CAMPBELL & BLACK, P.A.

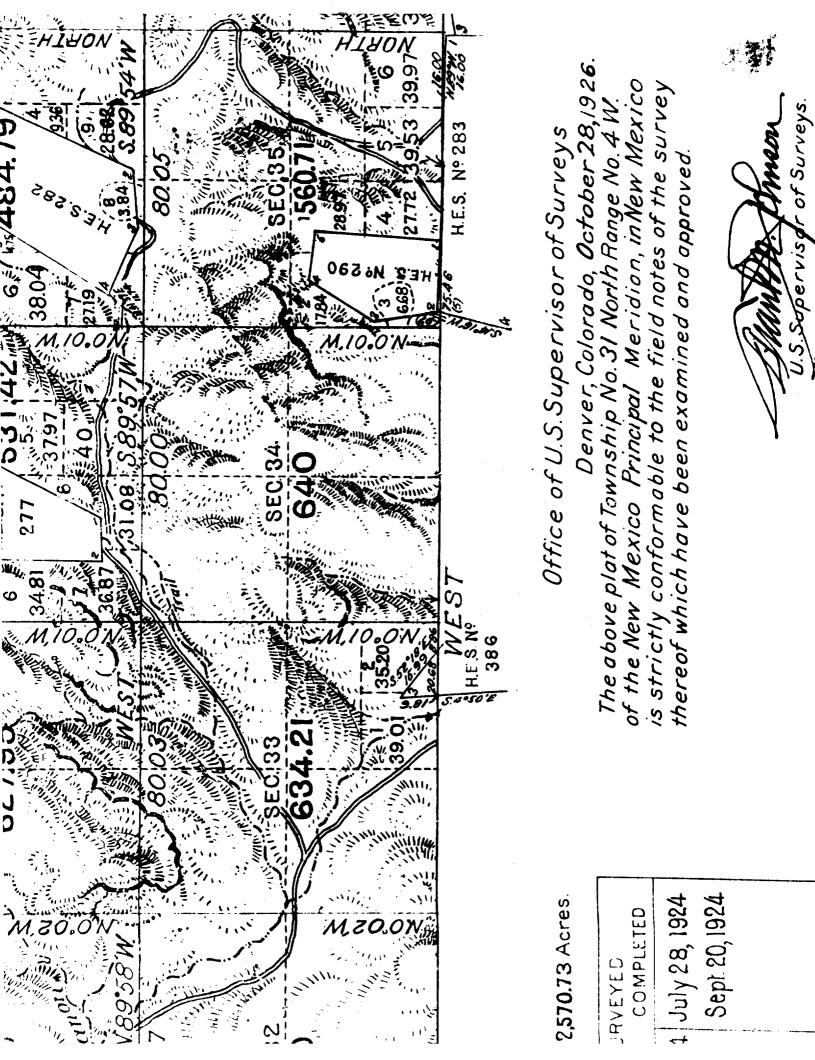
Bv: `

WILLIAM F. CARR Post Office Box 2208 Santa Fe, New Mexico 87504 Telephone: (505) 988-4421

ATTORNEYS FOR PARKER & PARSLEY DEVELOPMENT COMPANY



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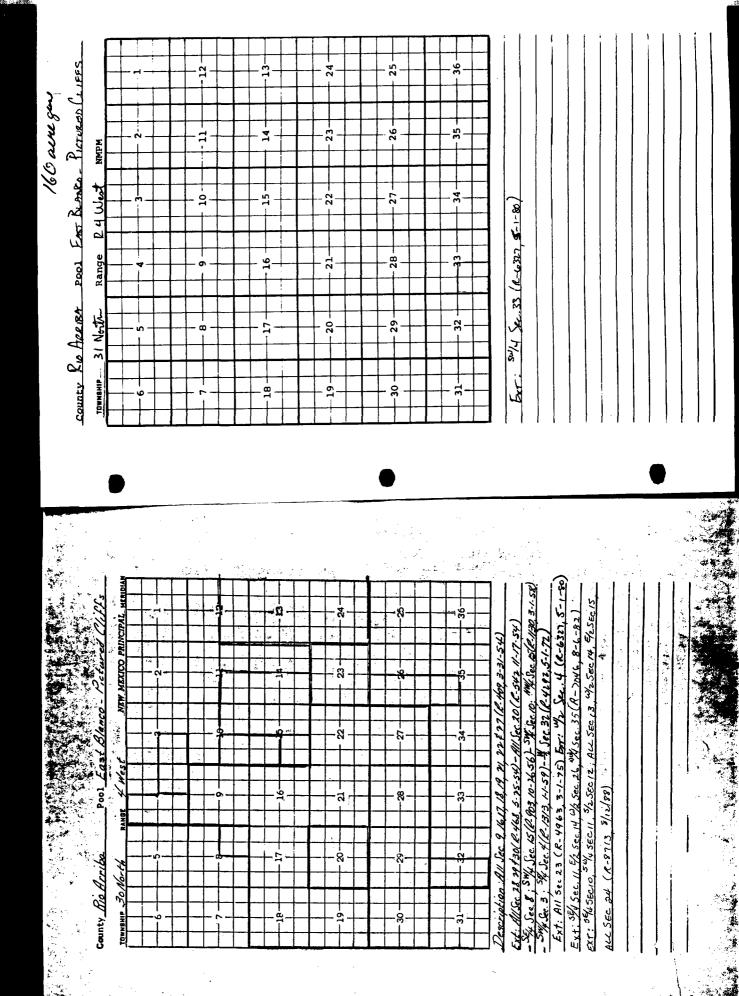


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County <u>Rio Arriba</u>

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<u>Pool WILLOW- GALLUP</u>

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DESC. 42 SEC 10, ALL SEC 11, W/2 SEC 12, ALL SEC 14, E/2 SEC 22, ALL SEC 23, W/2 SEC 24, W/2 SEC 27, NG4 SEC 28 (R-8713, 8/12/88)