

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF ENRON OIL & GAS COMPANY FOR
COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

RECEIVED
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OIL CONSERVATION DIVISION

CASE NO. 10514

APPLICATION

ENRON OIL & GAS COMPANY by its undersigned attorneys, pursuant to the provisions of N.M.Stat.Ann. § 70-2-17 (1978), hereby makes application for an order pooling all of the mineral interests in the N/2 of Section 1 for all formations developed on 320-acre spacing; in the NW/4 of Section 1 for all formations developed on 160-acre spacing; and in the N/2 NW/4 of Section 1 for all formations developed on 80-acre spacing from the surface to the base of the Morrow formation all in Township 25 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns approximately 87.5% of the working interest in and under the N/2 of Section 1, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its Hallwood Federal Com No. 1 Well 660 feet from the North line and 1980 feet from the West line of said Section 1 to be located at a standard location to be drilled to a depth sufficient to test the Morrow formation.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the N/2 of said Section 1, except for Millennium Energy Corporation, the owner of the working interest under the NW/4 NW/4 of said Section 1.


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 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 a duly appointed Examiner of the Oil Conservation Division on July 23, 1992, 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, and making such other and further provisions as may be proper.

Respectfully submitted,

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