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October 27, 1992

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

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RECEIVED

OCT 27 1992

OIL CONSERVATION DIVISION

Re: Oil Conservation Division Case No. 10592  
In the Matter of the Second Amended Application of Collins & Ware, Inc.  
for Compulsory Pooling, Lea County, New Mexico

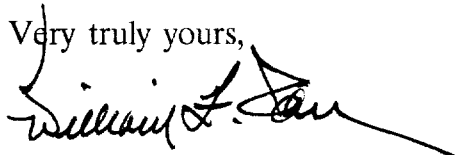
Dear Mr. LeMay:

Enclosed is the Second Amended Application of Collins & Ware, Inc. in the above-referenced case. As you will note, the application is amended to provide for the pooling of formations developed on less than 320-acre spacing patterns in the S/2 of Section 6, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico. We have provided notice and copies of this Second Amended Application to all affected interest owners. Inasmuch as we anticipate no opposition to this application, Collins & Ware, Inc. prefers to go forward with the hearing currently scheduled for November 5, 1992. At the conclusion of the hearing we will request that the case be continued to November 19, 1992 and then taken under advisement thereby complying with the Division's notice requirements.

However, this case will have to be readvertised to conform with the Second Amended Application and we would appreciate it if the amended application could be included with cases for the November 19, 1992 Examiner hearings.

Your attention to this request is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: Ms Elizabeth Moses  
Collins & Ware, Inc.

BEFORE THE  
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF COLLINS & WARE, INC.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

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OCT 27 1982

OIL CONSERVATION DIVISION

CASE NO. 10592

SECOND AMENDED APPLICATION

COLLINS & WARE, INC., 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 in the ~~S/2 of Section 6~~, for all formations developed on 160-acre spacing in the ~~SW/4 of Section 6~~, for all formations developed on 80-acre spacing in the ~~N/2 SW/4 of Section 6~~ and all formations developed on 40-acre spacing in the NE/4 SW/4 of Section 6, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Applicant owns or represents approximately 90% of the working interest in and under the S/2 of Section 6, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Quiet Man Federal No. 1 Well to be drilled at an orthodox location 1980 feet from the South and West lines of Section 6, to a depth of approximately 13,900 feet, more or less, to test any and all formations from the surface to the base of the Morrow formation, Quail Ridge Morrow Gas Pool.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all interest owners in the S/2 of said Section 6, except for those working interest owners set out on Exhibit A to this application.

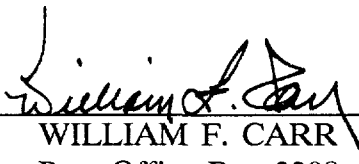
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, 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 November 5, 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.

Respectfully submitted,

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

By:   
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## EXHIBIT A

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