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May 17, 1994

10992

WAY TO

HAND-DELIVERED

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: Application of Forcenergy Gas Exploration, Inc., for Compulsory Pooling, Lea

County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Forcenergy Gas Exploration, Inc. in the above-referenced case as well as a copy of a legal advertisement. Forcenergy Gas Exploration, Inc., respectfully requests that this matter be placed on the docket for the June 9, 1994 Examiner hearings.

Very truly yours,

WILLIAM F. CARR

WFC:mlh Enclosures

cc: Mr. Mel Baiamonte (w/enclosures)

Forcenergy Gas Exploration, Inc. 2730 SW 3rd Avenue, Suite 800

Miami, FL 33129-2237

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF FORCENERGY GAS EXPLORATION, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

MAY 17 1994 CASE NO. 10992

APPLICATION

FORCENERGY GAS EXPLORATION, 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 mineral interests in all formations developed on 320-acre spacing in the E/2 of Section 14, Township 17 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

- 1. Applicant owns or represents approximately 75% of the working interest in the E/2 of Section 14, and Applicant has the right to drill thereon.
- 2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Shoebar 14 State Com No. Well to be drilled at an orthodox location 1600 feet from the South line and 1800 feet from the East line of Section 14, to a depth of approximately 13,000 feet, more or less, to test any and all formations from the surface 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 interest owners in the E/2 of said Section 14.
- 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 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 June 9, 1994 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.

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR FORCENERGY GAS EXPLORATION, INC.

APPLICATION, Page 2

CASE 11992:

Application of Forcenergy Gas Exploration, Inc., for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, in all formations developed on 320-acre spacing, underlying the E/2 of Section 14, Township 17 South, Range 35 East. Said unit is to be dedicated to the Shoebar 14 State Com No. 1 Well, to be drilled at a standard location 1600 feet from the South line and 1800 feet from the East line of said Section 14. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately ____ miles _____ of ____, New Mexico.