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ROY C. SNODGRASS, JR. (1914-1987)

*NOT LICENSED IN TEXAS

December 21, 1988

Case 9583

Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

Attention: Florene Davidson

Re: Exxon Corporation
Compulsory Pooling Application

Dear Florene:

Enclosed herewith please find three originals of an Application for a hearing in connection with Exxon Corporation's request for compulsory pooling of Amoco Production Company in Eddy County, New Mexico.

Please place this on the docket for January 18, 1989. If anything more is needed, please call.

Thank you.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

CEC:cl

Conrad E. Coffield

copy: Exxon Corporation
Post Office Box 1600
Midland, Texas 79702
Attn: Bill Duncan

Exxon Corporation
Post Office Box 1600
Midland, Texas 79702
Attn: Harlan C. Martens

Exxon Corporation
Post Office Box 1600
Midland, Texas 79702
Attn: Richard D. Goddard

Mr. Jim Bruce
500 Marquette N.W., Suite 740
Albuquerque, New Mexico 87102-2121

Certified Copy
Return Receipt
Requested:

Amoco Production Company
Post Office Box 3092
Houston, Texas 77253
Attention: Mr. Tim Custer

BEFORE THE OIL CONSERVATION DIVISION
OF THE ENERGY AND MINERALS DEPARTMENT

STATE OF NEW MEXICO

APPLICATION OF EXXON CORPORATION)
FOR COMPULSORY POOLING, EDDY)
COUNTY, NEW MEXICO)

Case 9583

APPLICATION

Exxon Corporation, by its undersigned attorneys, hereby makes application for and requests approval of an Order pooling all interests in all formations from the base of the San Andres Formation down to the top of the Mississippian Formation, excepting however the Abo Formation, underlying W $\frac{1}{2}$ Section 17, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show:

1. Applicant is an operator with interests underlying W $\frac{1}{2}$ Section 17, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico and is entitled to proceed with the drilling of a well to be located at an unorthodox location 2,095 feet from the South line and 992 feet from the West line of Section 17, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, to explore for oil and gas under the authority of Applicant's ownership of an oil and gas leasehold interest in said W $\frac{1}{2}$ Section 17. (Said well is located at an unorthodox location for topographical reasons, for which Applicant is seeking administrative approval separate from this application.)

2. Said lands are located such that potential completions could be made in the Red Lake (Penn) and Red Lake (Atoka Morrow) Pools and said land is within one mile of the Red Lake (Queen) pool. Gas and associated liquid hydrocarbons which may be producible from all formations from the base of the San Andres Formation down to the top of the Mississippian Formation, excepting however the Abo Formation, are the objectives in said well. Accordingly as to production from all formations from the base of the San Andres Formation down to the top of the Mississippian Formation, excepting however the Abo Formation, Applicant proposes to dedicate the W $\frac{1}{2}$ of said Section 17 to the well.

3. Applicant requested Amoco Production Company, whose address is more fully shown on the schedule attached hereto, as owner of an undivided 18.75% interest in the leasehold operating rights and working interest in W $\frac{1}{2}$ of said Section 17, to agree to participate in the drilling of said well or to farmout or otherwise commit its interest to said well, but Amoco Production Company so far has refused to do so.

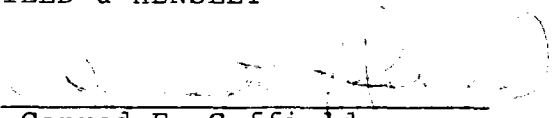
4. Applicant seeks designation of Applicant as operator of the well and that the Division consider the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and determine a reasonable charge for supervision and a charge for risk involved in drilling said well.

5. Approval of the pooling of all interests in all formations from the base of the San Andres Formation down to the top of the Mississippian Formation, excepting however the Abo Formation, as to W $\frac{1}{2}$ of said Section 17 is in the interest of conservation and will prevent waste and protect correlative rights.

6. Applicant respectfully requests the setting of this matter before the Division at the January 18, 1989 docket.

Dated this 21st day of December, 1988.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: 
Conrad E. Coffield
6 Desta Drive, Suite 2800
Post Office Box 3580
Midland, Texas 79702

Attorneys for Exxon
Corporation

SCHEDULE TO APPLICATION OF EXXON CORPORATION
FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Lands for which pooling is sought:

Township 18 South, Range 27 East, N.M.P.M.

Section 17: $W\frac{1}{2}$ (320)

as to all formations from the base of the San Andres
Formation down to the top of the Mississippian
Formation, excepting however the Abo Formation.

Name/Address of
Party to be Pooled

Interest Owned

Amoco Production Company
Post Office Box 3092
Houston, Texas 77253
Attn: Tim Custer

An undivided 18.75% interest
in the leasehold operating
rights and working interest
in $W\frac{1}{2}$ Section 17, T-18-S,
R-27-E, N.M.P.M., Eddy
County, New Mexico

→ $SW\frac{1}{4}$ (160) -

~~(80)~~

$W\frac{1}{2} SW\frac{1}{4}$ (80) -

$NW\frac{1}{4} SW\frac{1}{4}$ (40) -

COUNTY Eddy POOL Kaiser Ranch-Strawn GasTOWNSHIP 18 South RANGE 27 East NMFM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: E/2 Sec. 30 (R-8455, 6-15-87)No Shunt Pool Rule

~~Chalk Bluff Wf.~~

~~East Norton Vero~~

✓ Kaiser Ranch Stream

~~East Lake Mow.~~

~~Red Lake Mow Morrow~~

~~Red Lake Penn~~

Seoggin Draw Mow

Seoggin Draw Morrow

Seoggin Draw Stream

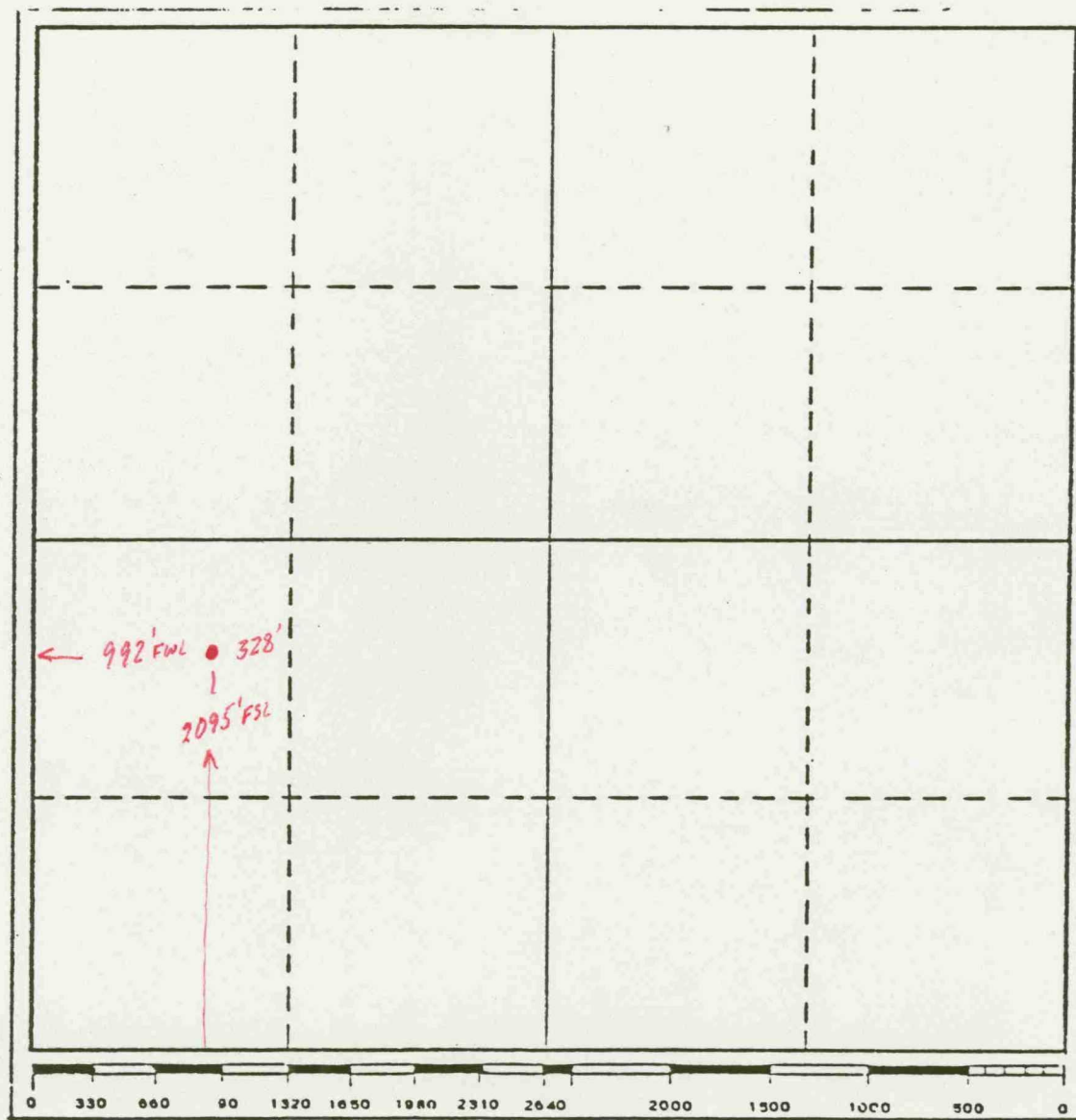
County Eddy Pool Scoggin Draw - Atoka Gas

TOWNSHIP 18 South Range 27 East NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: $\frac{1}{2}$ Sec 3 (A-6698, 6-2-81)

Ext: $\frac{1}{2}$ Sec. 9, $\frac{1}{2}$ Sec. 10 (R-8257, 7-8-86)



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ROY C. SNODGRASS, JR. (1914-1987)

*NOT LICENSED IN TEXAS

Mr. Mike Stogner
Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

Re: Exxon Corporation
Compulsory Pooling Application

Dear Mike:

This will confirm our telephone conversation of December 29, wherein I advised you of the fact that the well location for Exxon's proposed well in W $\frac{1}{2}$ Section 17, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, has had to be changed from the well location shown in the Application and in the Amended Application. This occurred yesterday because of a new requirement imposed by the Bureau of Land Management personnel. The new location is as follows:

2,095 feet from the south line and 922 feet from the west line of Section 17, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Exxon's application should be considered amended to conform to the foregoing.

In line with our conversation, it is my understanding that Exxon's Application can be heard on the January 18 docket as has been planned heretofore. However, the changed well location may need to be carried in a new advertisement.

If there is anything further that is needed in connection with noting the slight change in the well location, please call.

Page - 2 -

Thank you.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


Conrad E. Coffield

CEC:cl

copy: Exxon Corporation
Post Office Box 1600
Midland, Texas 79702
Attn: Bill Duncan

Exxon Corporation
Post Office Box 1600
Midland, Texas 79702
Attn: Harlan C. Martens

Exxon Corporation
Post Office Box 1600
Midland, Texas 79702
Attn: Richard D. Goddard

Mr. Jim Bruce
500 Marquette N.W., Suite 740
Albuquerque, New Mexico 87102-2121

Certified Copy

Return Receipt

Requested:

Amoco Production Company
Post Office Box 3092
Houston, Texas 77253
Attention: Mr. Tim Custer

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(505) 768-1500

December 28, 1988

Mr. Mike Stogner
Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

Re: Exxon Corporation
Compulsory Pooling Application

Dear Mike:

In line with our telephone conversation of December 27, in connection with Exxon's application for compulsory pooling, I am transmitting herewith, in triplicate, an Amended Application which is basically the same as the application transmitted with my letter of December 21, 1988 to Florene, except that this Amended Application indicates that not only does Exxon propose to dedicate the W $\frac{1}{2}$ of the section to the well if it requires 320 acre spacing but also it provides that Exxon would dedicate the SW $\frac{1}{4}$ of the section if the well requires 160 acre spacing, W $\frac{1}{2}$ SW $\frac{1}{4}$ of the section if it requires 80 acre spacing and the NW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 17 if it requires 40 acre spacing.

Please call if there is anything further which is needed in order to have this matter set for hearing on the docket for January 18, 1989.

Thank you.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

CEC:cl

Conrad E. Coffield

copy: Exxon Corporation
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Requested:

Amoco Production Company
Post Office Box 3092
Houston, Texas 77253
Attention: Mr. Tim Custer

BEFORE THE OIL CONSERVATION DIVISION
OF THE ENERGY AND MINERALS DEPARTMENT

STATE OF NEW MEXICO

APPLICATION OF EXXON CORPORATION)
FOR COMPULSORY POOLING, EDDY)
COUNTY, NEW MEXICO)

AMENDED APPLICATION

Exxon Corporation, by its undersigned attorneys, hereby makes application for and requests approval of an Order pooling all interests in all formations from the base of the San Andres Formation down to the top of the Mississippian Formation, excepting however the Abo Formation, underlying W $\frac{1}{2}$ Section 17, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show:

1. Applicant is an operator with interests underlying W $\frac{1}{2}$ Section 17, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico and is entitled to proceed with the drilling of a well to be located at an unorthodox location 2,095 feet from the South line and 992 feet from the West line of Section 17, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, to explore for oil and gas under the authority of Applicant's ownership of an oil and gas leasehold interest in said W $\frac{1}{2}$ Section 17. (Said well is located at an unorthodox location for topographical reasons, for which Applicant is seeking administrative approval separate from this application.)

2. Said lands are located such that potential completions could be made in the Red Lake (Penn) and Red Lake (Atoka Morrow) Pools and said land is within one mile of the Red Lake (Queen) pool. Gas and associated liquid hydrocarbons which may be producible from all formations from the base of the San Andres Formation down to the top of the Mississippian Formation, excepting however the Abo Formation, are the objectives in said well. Accordingly in compliance with Oil Conservation Division well spacing rules, as to production from all formations from the base of the San Andres Formation down to the top of the Mississippian Formation, excepting however the Abo Formation, Applicant proposes to dedicate the W $\frac{1}{2}$ of said Section 17 to the well if it requires 320 acre spacing, the SW $\frac{1}{4}$ of said Section 17 to the well if it requires 160 acre spacing, the W $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 17 to the well if it requires 80 acre spacing and the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 17 to the well if it requires 40 acre spacing.

3. Applicant requested Amoco Production Company, whose address is more fully shown on the schedule attached hereto, as owner of an undivided 18.75% interest in the leasehold operating

rights and working interest in W $\frac{1}{2}$ of said Section 17, to agree to participate in the drilling of said well or to farmout or otherwise commit its interest to said well, but Amoco Production Company so far has refused to do so.

4. Applicant seeks designation of Applicant as operator of the well and that the Division consider the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and determine a reasonable charge for supervision and a charge for risk involved in drilling said well.

5. Approval of the pooling of all interests in all formations from the base of the San Andres Formation down to the top of the Mississippian Formation, excepting however the Abo Formation, as to W $\frac{1}{2}$ of said Section 17 is in the interest of conservation and will prevent waste and protect correlative rights.

6. Applicant respectfully requests the setting of this matter before the Division at the January 18, 1989 docket.

Dated this 28th day of December, 1988.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: Conrad E. Coffield
6 Desta Drive, Suite 2800
Post Office Box 3580
Midland, Texas 79702

Attorneys for Exxon
Corporation

SCHEDULE TO APPLICATION OF EXXON CORPORATION
FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Lands for which pooling is sought:

Township 18 South, Range 27 East, N.M.P.M.

Section 17: W $\frac{1}{2}$

as to all formations from the base of the San Andres
Formation down to the top of the Mississippian
Formation, excepting however the Abo Formation.

Name/Address of
Party to be Pooled

Interest Owned

Amoco Production Company
Post Office Box 3092
Houston, Texas 77253
Attn: Tim Custer

An undivided 18.75% interest
in the leasehold operating
rights and working interest
in W $\frac{1}{2}$ Section 17, T-18-S,
R-27-E, N.M.P.M., Eddy
County, New Mexico