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Jason Kellahin
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Santa Fé, New Mexico 87504-2265

September 25, 1989

Mr. William LeMay
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

RECEIVED

Case 9782
SEP 25 1989

OIL CONSERVATION DIVISION

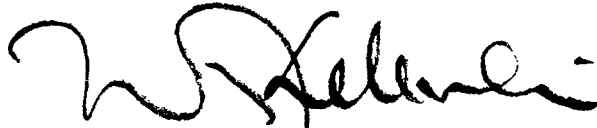
Re: Application of Oryx Energy Company
for Compulsory Pooling, and an Unorthodox Location
Well Name: Antelope Federal Com Well #2.
Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Oryx Energy Company please find enclosed our Application for Unorthodox Well Location and Compulsory Pooling which we would request be set for hearing on the next available Examiner's docket now scheduled for October 18, 1989.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail, return-receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application. In addition, they are advised that the entry of a Compulsory Pooling Order will affect their rights to share in the production from the subject well.

Very truly yours,



W. Thomas Kellahin

WTK/lw
Encl.

cc: Mr. Charles Gray

Certified Mail Return-Receipt
all parties listed on Exhibit "A" and "B"
of the Application, w/encl.

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
ORYX ENERGY COMPANY
FOR COMPULSORY POOLING AND AN UNORTHODOX LOCATION
LEA COUNTY, NEW MEXICO

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CASE NO. 9782

A P P L I C A T I O N

COMES NOW, ORYX ENERGY COMPANY, by and through its attorneys, Kellahin, Kellahin & Aubrey and in accordance with Section 70-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interest as follows:

S/2 of said section to form a standard 320 acres gas spacing and proration unit from the top of the Wolfcamp to the base of the Atoka in the Antelope Ridge Atoka gas pool, but in the event the Atoka is non-commercial, then to the base of the Morrow in the Ojo Chiso Morrow Gas Pool, and from the surface to the top of the Wolfcamp for any gas production for a gas pool spaced on 160 acres being the SW/4 of said section and the SW/4 SW/4 for any oil pool spacing in the event of production from an oil pool. The above described unit is to be dedicated to its Antelope Federal Com Well #2 to be drilled at an unorthodox well location 1090' FSL and 990' FWL in said Section 22, and in support thereof would show:

1. Applicant is working interest owner in the S/2 of Section 22, T22S, R34E.
2. Applicant desires to drill a well at an unorthodox location 1090' FSL and 990' FWL in the SW/4 SW/4 of Section 22.
3. Applicant has sought a voluntary agreement with all those parties shown on Exhibit "A" for the formation of appropriate spacing and proration unit as shown on for the drilling of the subject well, but has been unable to obtain a voluntary agreement.
4. The offset operators towards whom the subject well will encroach are set forth on Exhibit "B" attached hereto.
5. Pursuant to the Division notice requirements, applicant has notified all those parties shown on Exhibit "A" and Exhibit "B" of this application for compulsory pooling and the Applicant's request for a hearing before the Division to be set on October 18, 1989.
6. In order to obtain its just and equitable share of the potential production underlying the above tract, Applicant needs an order pooling the mineral interest involved in order to protect Applicant's correlative rights and prevent waste.

WHEREFORE, Applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order approving the unorthodox location and pooling the

mineral interest described herein. Applicant further prays that it be named operator of the well, and that the order make provisions for Applicant to recover out of production its costs of drilling, completing and equipping the subject well, costs of operation, including costs of supervision, and a risk factor in the amount of 200% for the drilling and completing of the well, for such other and further relief as may be proper.

Respectfully submitted,

By: 
W. Thomas Kellahin

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E X H I B I T " A "

BTA Oil Producers 104 South Pecos Midland, TX 79701	12.5%
Pacific Enterprises 10 Desta Drive, Suite 500 W. Midland, TX 79705	6.25%
Joe Reynolds 2333 50th Street Lubbock, TX 79421	6.25%