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BEFORE THE

OIL CONSERVATION DIVISION

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OIL CONSERVATION DIV.

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF EXPLORERS PETROLEUM CORPORATION, FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

case no. <u>9877</u>

APPLICATION

COMES NOW EXPLORERS PETROLEUM CORPORATION, by its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to Section 70-2-17, N.M.S.A. (1978) for an order pooling all of the mineral interests from the surface to the base of the Bone Spring formation, undesignated Tamano-Bone Spring Pool, in and under the NE/4 SW/4 of Section 1, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

- 1. Applicant owns or represents 5.4% of the working interest in and under the acreage to be pooled in Section 1, and Applicant has the right to drill thereon.
- 2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at a standard location in said Section 1, to a depth sufficient to test all formations to the base of the Bone Spring formation.

3. Applicant is seeking either voluntary agreement for pooling or farmout from all other interest owners in the acreage to be pooled in said Section 1, including the following interest owners:

Yates Energy Corporation Sunwest Centre, Suite 1010 Roswell, New Mexico 88201	23.5% WI
Harvey E. Yates Company Box 1933 Roswell, New Mexico 88201	36.9% WI
Heyco Employees Ltd. Box 1933 Roswell, New Mexico 88201	1.9% WI
Spiral, Inc. Box 1933 Roswell, New Mexico 88201	5.5% WI
Chevron U.S.A., Inc. Post Office Box 1150 Midland, Texas 79702 Attn: Mickey Kohlmia	25% WI
W.T. Wynn 1603 W. Bengar Midland, Texas 79705	1.8% WI

- 4. Said pooling of these 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 a duly appointed Examiner of the Oil Conservation Division on February 21, 1990, and that 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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