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MAY 30 1990

OIL CONSERVATION DIV.
SANTA FE

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

IN THE MATTER OF THE APPLICATION OF
MERIDIAN OIL, INC. FOR
COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO

CASE NO. 9950

A P P L I C A T I O N

COMES NOW, MERIDIAN OIL, INC., 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:

E/2 of Section 17, T18S, R31E, N.M.P.M., Eddy County, New Mexico to form a standard 320 acre spacing and proration unit for any gas production from the top of the Wolfcamp to the base of the Morrow formation or a total depth of approximately 12,000 feet, whichever is deeper, including the North Shugart Gas Pool, and in support thereof states:

1. Applicant is working interest owner in the E/2 of Section 17, T18S, R31E.
2. Applicant desires to drill a well at a standard location in the E/2 of Section 17.

3. Applicant has sought a voluntary agreement with all the appropriate parties for the formation of appropriate spacing and proration unit for the drilling of the subject well, but has been unable to obtain a voluntary agreement from the following:

J. Hiram Moore	12.5% being
P.O. Box 1733	40 acres in SW/4SE/4
Midland, Texas 79701	of Section 17
Attn: Mr. Richard Moore	

4. Pursuant to the Division notice requirements, Applicant has notified all those parties shown in Paragraph 3 above of this Application for compulsory pooling and the Applicant's request for a hearing before the Division to be set on May 30, 1990.

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 pooling of 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,

KELLAHIN, KELLAHIN & AUBREY

By: 

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