

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

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OIL CONSERVATION DIV.
SANTA FE

IN THE MATTER OF THE APPLICATION OF
OXY U.S.A., INC. FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 10010

APPLICATION

COMES NOW OXY U.S.A., Inc., by its undersigned attorneys, and as provided by Section 70-2-17, N.M.S.A. (1978), hereby makes application for an order pooling all of the mineral interests in the Pennsylvania formation in and under the E/2 of Section 29, Township 21 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

1. Applicant owns approximately 97.3% of the working interest in and under the E/2 of Section 29, and Applicant has the right to drill thereon.
2. Applicant proposed to dedicate the above-referenced pooled unit to a well to be drilled at a standard location in the NW/4 SE/4 of Section 29, to a depth of approximately 11,810 feet to test all zones in the Pennsylvania formation.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the E/2 of Section 29, except for the following working interest owners:

Fred L. O'Cheskey, Jr.,
Individually and as Personal
Representative of the Estate
of Fred L. O'Cheskey, Sr.,
Deceased
Lora Lee O'Cheskey Thomas
Sandra Jean O'Cheskey MArtin
Walter Ross O'Cheskey
c/o Fred L. O'Cheskey, Jr.
4139 Coe Drive NE
Albuquerque, New Mexico 87110

1.656% WI

Alvin Perrin
1710 N. Decatur #9
Las Vegas, Nevada 89108

.875% WI

Fermin Garcia and wife,
Dora Garcia
1425 Tokay Avenue
Carlsbad, New Mexico 88220

.156% WI

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

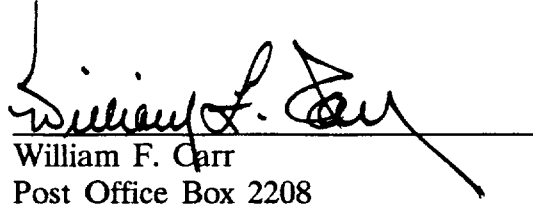
5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and Applicant should be designed the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on July 25, 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 in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

William F. Carr

Post Office Box 2208

Santa Fe, New Mexico 87504

(505) 988-4421

ATTORNEYS FOR OXY U.S.A., INC.