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JUN 29 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
ORYX ENERGY COMPANY
FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO

CASE NO. 10016

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:

E/2 of Section 23, Township 17 South, Range 35 East, N.M.P.M., to form a standard 320 acres spacing and proration unit for any gas production from the top of the Wolfcamp the base of the Morrow Formation, including, but not limited to the South Shoe Bar Atoka Gas Pool and an Undesignated Morrow Gas Pool, Lea County, New Mexico. Said unit is located approximately 6 miles east by north of Buckeye, New Mexico.

In support they would state:

1. Applicant is working interest owner in the E/2 of Section 23, T17S, R35E.

2. Applicant desires to drill a well at a standard location 660 feet from the East line and 1980 feet from the North line in Section 23.

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. Pursuant to the Division notice requirements, applicant has notified all those parties shown on Exhibit "A" of this application for compulsory pooling and the Applicant's request for a hearing before the Division to be set on July 25, 1990.

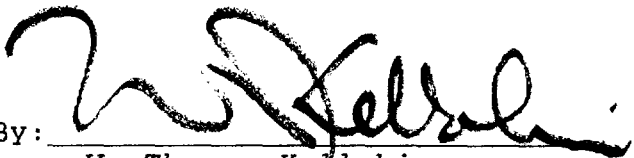
5. In order to obtain its just and equitable share of the potential production underlying the above tract, Applicant needs an order pooling the mineral interest involved in order to protect Applicant's correlative rights and prevent waste.

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,

KELLAHIN, KELLAHIN & AUBREY

By: 

W. Thomas Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504

(505) 982-4285

EXHIBIT "A"

Shell Wester E. & P., Inc.
P.O. Box 832
Houston, Texas 77001

25% Interest

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

June 29, 1990

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OIL CONSERVATION DIV.
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Mr. William J. LeMay
Oil Conservation Division
Post Office box 2088
Santa Fe, New Mexico 87504

Re: Application of Oryx Energy Company
for Compulsory Pooling
Lea County, New Mexico

10016

Dear Mr. LeMay

On behalf of Oryx Energy Company please find enclosed our Application for Compulsory Pooling which we would request be set for hearing on the next available Examiner's docket now scheduled for July 25, 1990.

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, 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.

Finally, any party desiring to participate in this hearing should file a Pre-Hearing Statement and entry of appearance by 4:00 p.m. on July 20, 1990.

Very truly yours,


W. Thomas Kellahin

WTK/tic
Enclosure

cc: Mr. Charles Gray

Certified mail, return-receipt
All parties listed on Exhibit "A"
of Application, w/enclosure

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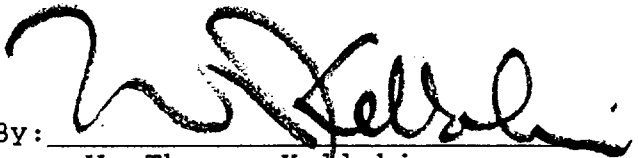
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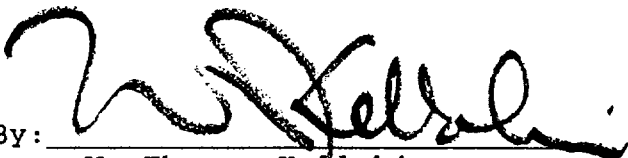
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