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KENNETH R. BRANDT (1946 - 1981)

July 12, 1990

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Mr. William J. LeMay, Director New Mexico Oil Conservation Division Post Office Box 2008 Santa Fe, New Mexico 87504 /0043 JUL 12 1990

OIL CONSERVATION DIVISION

RE: Application of D. J. Simmons Company for Compulsory Pooling, San Juan County, New Mexico, (Cap Com 7 #1)

Dear Mr. LeMay:

Enclosed is the Application of D. J. Simmons Company for Compulsory Pooling for a Fruitland well to be drilled at a standard location in the S/2 of Section 7 T-28 N, R-10 W, NMPM, San Juan County, New Mexico.

On behalf of the Applicant, D. J. Simmons Company, we ask that this matter be set for examiner hearing on August 8, 1990.

Very truly yours,

MILLER, STRATVERT, TORGERSON & SCHLENKER, P.A.

J. Scott Hall

cc: Rod Pinkett

D. J. Simmons Company

BEFORE THE

OIL CONSERVATION DIVISION

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

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JIII 1 2 1990

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF D. J. SIMMONS COMPANY FOR COMPULSORY POOLING, SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 10043

APPLICATION

- D. J. SIMMONS COMPANY by its undersigned attorneys, Miller, Stratvert, Torgerson & Schlenker, P.A., hereby makes application pursuant to section 70-2-17, N.M.S.A. (1978) for an order pooling all of the mineral interests in the Fruitland formation for development on 320-acre spacing in and under the S/2 of Section 7, Township 28 North, Range 10 West, N.M.P.M., San Juan County, New Mexico, and in support thereof would show the Division:
- 1. Applicant owns a certain amount of the working interest in and under the S/2 of Section 7, and Applicant has the right to drill thereon.
- 2. Applicant proposes to dedicate the above-referenced pooled unit to its Cap Com 7 #1 well to be located at a standard location in the SW/4 of said Section 7.
- 3. Applicant has been unable to obtain voluntary agreement for pooling or farmout from all other interest owners in the S/2 of said Section 7.
- 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 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 August 8, 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.

MILLER, STRATVERT, TORGERSON & SCHLENKER, P.A.

J. Scott Hall

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ATTORNEYS FOR D. J. SIMMONS COMPANY