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October 23, 1990

Mr. William J. LeMay
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

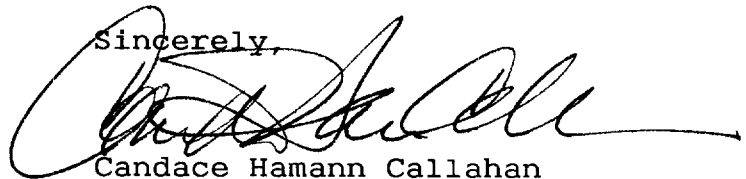
Re: Grand Production Company
for Compulsory Pooling
E/2SE/4, Section 10, T17S, R37E,
Lea County, New Mexico

Dear Mr. LeMay:

Enclosed please find the original and one copy of an application by Grand Production Company for Compulsory Pooling, Lea County, New Mexico. Please set this application for hearing on the examiner docket now scheduled for November 14, 1990.

In accordance with N.M.O.C.C. Rule 1207, we are sending all working interest owners listed in this application a copy of this letter and a copy of the enclosed application, by certified mail, in order to notify them that they have the opportunity to appear in support of or in opposition to the enclosed application.

Sincerely,



Candace Hamann Callahan

CHC/tic

xc: Mr. John F. Vaughan
Grand Production Company
Suite 305 Columbus Square
1001 N.W. 63rd
Oklahoma City, Oklahoma 73116

Certified Return Receipt Requested
Working interest owners listed in
Exhibit "A" of application

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF GRAND PRODUCTION COMPANY FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO

A P P L I C A T I O N

10157

COMES NOW GRAND PRODUCTION COMPANY, by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and in accordance with Section 70-2-17(c) N.M.S.A. (1978 Comp.) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the surface to the base of the Atoka formation underlying the E/2SE/4 of Section 10, T. 17 S., R. 37 E., N.M.P.M., Lea County, New Mexico forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which includes, but is not necessarily limited to, the Humble City-Strawn and Undesignated Humble City-Atoka Pools. The above described acreage is to be dedicated to a well to be drilled at a standard location on the SE/4SE/4 of said Section 10 to a depth of approximately 11,600 feet. In support of this application, applicant would show:

1. Applicant has the right to drill and develop the SE/4SE/4 of Section 10, T. 17 S., R. 37 E., Lea County, New Mexico.

2. Applicant desires to drill a well at a standard location in the SE/4SE/4 of said section.

3. Pursuant to the Division notice requirements, applicant has notified all those parties with known addresses 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 November 14, 1990. Applicant was unable, after diligent search and inquiry to obtain addresses for those parties noted on Exhibit "A" as having unknown addresses; however, these parties receive notice through the Division's publication of this application and the November 14, 1990 hearing.

4. In order to obtain its just and equitable share of the hydrocarbons underlying the above tract, applicant needs an order pooling the mineral interests 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 pooling the mineral interests described herein. Applicant further prays that it be named operator of the well, and that the order make provision for applicant to recover, out of production, its cost 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, and for such other and further relief as may be proper.

Respectfully submitted,

KELLAHIN, KELLAHIN & AUBREY

By: 

Candace Hamann Callahan
Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

EXHIBIT "A"

Stanley G. Budner 17 Gumwood Drive Wilmington, DE 19803	0.75000%
Stan Hansen 39 Riverside Avenue, No. 213 Stanford, CN 06905	0.75000%
Ronald U. Kolb 3900 Dundee Road, No. 103 Northbrook, IL 60062	0.75000%
Guy G. Stephenson 866 Summer Shade Memphis, TN 38116	0.75000%
J. Paul Wilson 314 Potter Road North Kingston, RI 02852	1.50000%
Virgil C. Witten 1302 Zephyr Plainview, TX 79702	0.75000%
Dr. William Fain 285 Governor Street Providence, RI 02906	1.50000%
E. J. Eckels, Jr. Address Unknown	0.75000%
Martin J. and M. Jane Hoffman Address Unknown	0.75000%
Dr. Donald S. Lackie Address Unknown	0.75000%
Estate of David M. Woolf Address Unknown	0.75000%
Sirus Zenouzi Address Unknown	0.75000%
Henry L. Mayo Address Unknown	0.75000%

Gen. Henry Gross
Address Unknown

Dennis Wittman
Address Unknown

Allen Glick
Address Unknown

Total

0.75000%

1.25025%

1.25025%

14.50050%