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November 5, 1990

Mr. William LeMay
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

10168

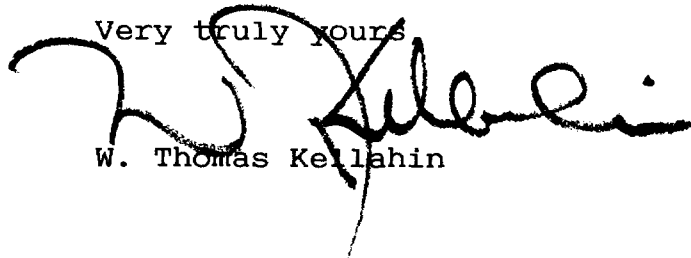
Re: Application of Pacific Enterprises Oil
Company, USA for Compulsory Pooling,
E/2, Section 16, T17S, R31E,
Eddy County, New Mexico

Dear Mr. LeMay:

On behalf of Pacific Enterprises Oil Company, USA
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 November 28,
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, to make a statement to the Division, to present
evidence and 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.

Very truly yours



W. Thomas Kellahin

KA/tic
Enclosure

cc: Craig Clark
Pacific Enterprises Oil Co., USA
10 Desta Drive, Suite 500-West
Midland, Texas 79705

Mr. William J. LeMay
November 5, 1990
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Certified Mail Return-Receipt
All parties listed in Exhibit A
of the Application, w/encl.

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

IN THE MATTER OF THE APPLICATION OF
PACIFIC ENTERPRISES OIL COMPANY, USA
FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO

CASE NO.

A P P L I C A T I O N

COMES NOW, PACIFIC ENTERPRISES OIL COMPANY, USA,
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 underlying the following
described acreage in Section 16, T17S, R31E, Eddy County,
New Mexico in the following described manner:

1. E/2 to form a 320 acre, more or less, gas
spacing and proration unit for any and all formations and/or
pools within said vertical limits below the top of the
Wolfcamp developed on 320 acre gas well spacing including,
but not limited to, the Fren-Pennsylvanian Gas Pool; and

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2. Applicant has sought a voluntary agreement with all those parties shown on Exhibit "A" 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.

3. 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 November 28, 1990.

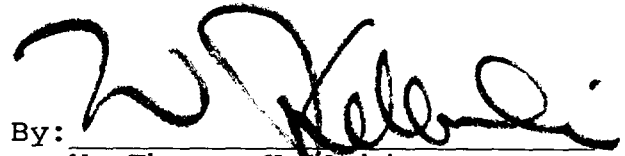
4. In order to obtain its just and equitable share of the potential production underlying the above tract, Applicant needs an order pooling the mineral interest of those parties shown on Exhibit "A" as not having voluntarily committed their interest in order to protect Applicant's correlative rights 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: 

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

(505) 982-4285

EXHIBIT "A"

WORKING INTEREST OWNERS

Exxon Company, U.S.A	50.00%
P.O. Box 1600	
Midland, Texas 79702-1600	
Attn: Mr. Joe B. Thomas	
 Anadarko Petroleum Corporation	 12.5%
P.O. Box 2497	
Midland, Texas 79702	
Attn: Mr. Mike Goode	