

# HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX\*  
PAUL W. EATON  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY JR.\*  
STUART D. SHANOR\*  
C. D. MARTIN  
PAUL J. KELLY JR.\*  
OWEN M. LOPEZ\*  
DOUGLAS L. LUNSFORD\*  
PAUL M. BOHANNON  
T. CALDER EZZELL JR.\*  
WILLIAM B. BURFORD  
JOHN S. NELSON\*  
RICHARD E. OLSON\*  
RICHARD A. SIMMS\*  
DEBORAH NORWOOD  
JAMES H. ISBELL  
RICHARD R. WILFONG  
STEVEN D. ARNOLD  
JAMES J. WECHSLER\*  
NANCY S. CUSACK\*

JEFFREY L. FORNACIARI\*  
ROBERT D. SIMPSON  
DAVID L. SPOEDE  
JEFFREY D. HEWETT  
JAMES BRUCE\*  
MICHELE A. REYNOLDS\*  
DAVID G. REYNOLDS\*  
THOMAS D. HAINES JR.\*  
THOMAS M. HNASKO\*  
MICHAEL F. MILLERICK\*  
GREGORY J. NIBERT\*  
JUDY K. MOORE  
DAVID T. MARKETTE  
BRUCE R. ROGOFF\*  
JAMES M. HUDSON\*  
DONALD R. FENSTERMACHER\*  
DAVID B. GROCE  
ROBERT M. BRISTOL  
GARY M. LADEN

## ATTORNEYS AT LAW

200 BLANKS BUILDING  
POST OFFICE BOX 3580  
MIDLAND, TEXAS 79702  
(915) 683-4691

700 UNITED BANK PLAZA  
POST OFFICE BOX 10  
ROSWELL, NEW MEXICO 88201  
(505) 622-6510

1700 TEXAS AMERICAN BANK BUILDING  
POST OFFICE BOX 12118  
AMARILLO, TEXAS 79101  
(806) 372-5569

218 MONTEZUMA  
POST OFFICE BOX 2068  
SANTA FE, NEW MEXICO 87504  
(505) 982-4554

JEFFREY L. BOWMAN  
JOHN C. HARRISON\*

OF COUNSEL  
CLARENCE E. HINKLE  
ROY C. SNODGRASS, JR.  
O. M. CALHOUN  
MACK EASLEY

W. E. BONDURANT JR. (1913-1973)  
ROBERT A. STONE (1905-1961)

\*NOT LICENSED IN TEXAS

January 14, 1985

Ms. Florene Davidson  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: The Petroleum Corporation of  
Delaware -- Applications for  
Compulsory Pooling, Eddy  
County, New Mexico

Dear Florene:

Enclosed herewith you will find, executed in triplicate, the following Applications:

- (a) Application for Compulsory Pooling in SW $\frac{1}{4}$ NW $\frac{1}{4}$  Section 12, Township 26 South, Range 29 East, Eddy County, New Mexico; and
- (b) Application for Compulsory Pooling in NE $\frac{1}{4}$ SW $\frac{1}{4}$  Section 12, Township 26 South, Range 29 East, Eddy County, New Mexico.

We are simultaneously transmitting copies of these applications to Nu-Energy Oil & Gas, Inc. by registered mail.

We request that these matters be set on the first available docket for hearing by an Examiner. If anything additionally is

(Cox 882)

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needed in order to complete the filing for this case, please call me or James Bruce in our office in Santa Fe.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY



Conrad E. Coffield

CEC:cl

copies: The Petroleum Corporation  
of Delaware  
3811 Turtle Creek, Suite 350  
Dallas, Texas 75219  
Attn: Mr. Fred Ward

Nu-Energy Oil & Gas, Inc.  
171 West Esplanade Street, Suite 500  
North Vancouver  
British Columbia  
Canada V7M 1A1

Mr. James Bruce  
Hinkle, Cox, Eaton, Coffield & Hensley  
Post Office Drawer 2068  
Santa Fe, New Mexico 87504

BEFORE THE OIL CONSERVATION DIVISION  
OF THE ENERGY AND MINERALS DEPARTMENT

STATE OF NEW MEXICO

APPLICATION OF THE PETROLEUM )  
CORPORATION OF DELAWARE FOR )  
COMPULSORY POOLING, EDDY COUNTY, )  
NEW MEXICO )

*Case 8827*

APPLICATION

The Petroleum Corporation of Delaware, by its undersigned attorneys, hereby makes application for an Order pooling all interests underlying the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 12, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico for all depths from 3,500 feet beneath the surface of the earth down to 5,600 feet beneath the surface of the earth, and in support thereof would show:

1. Applicant was entitled to proceed with the drilling of a well located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 12, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, under the authority of Applicant's ownership of an oil and gas leasehold interest therein.

2. Applicant is in the process of drilling a well at a legal location in said NE $\frac{1}{4}$ SW $\frac{1}{4}$  Section 12, to a depth of 5,500 feet to test the Cherry Canyon Formation. Applicant has requested the party listed on the attached schedule as owner of an undivided interest to agree to participate in the drilling of said well or to farmout or otherwise commit their interest to said well, but the party so far has refused to do so.

3. Applicant seeks that the Division consider the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charge for supervision, designation of Applicant as operator of the well, and a charge for risk involved in drilling said well.

4. The pooling of all interests in NE $\frac{1}{4}$ SW $\frac{1}{4}$  Section 12, for all depths from 3,500 feet beneath the surface of the earth down to 5,600 feet beneath the surface of the earth, is in the interest of conservation and will prevent waste and protect correlative rights.

5. Applicant respectfully requests the setting of this matter before an Examiner at the first available hearing.

Dated this 14th day of January 1986.

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

By:

A handwritten signature in dark ink, appearing to be "Conrad E. Coffield", written over a horizontal line.

Conrad E. Coffield  
Post Office Box 3580  
Midland, Texas 79702

Attorneys for The Petroleum  
Corporation of Delaware

SCHEDULE

UNCOMMITTED RECORD TITLE OWNER

Township 26 South, Range 29 East, N.M.P.M.  
Eddy County, New Mexico

Section 12: NE $\frac{1}{4}$ SW $\frac{1}{4}$

<u>Name and Address</u>	<u>Percentage of Record Title Interest</u>
Nu-Energy Oil & Gas, Inc. 171 West Esplanade Street, Suite 500 North Vancouver British Columbia V7M 1A1	
Attention: Mr. Fred Davidson	2.5%