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\*NOT LICENSED IN TEXAS

March 21, 1986

Case 8873

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

Re: Exxon Corporation --  
Application for Compulsory  
Pooling, Eddy County, New  
Mexico

Dear Florene:

Pursuant to our prior telephone conversation, enclosed herewith you will find, executed in triplicate, the following Application:

Application for Compulsory Pooling Section 27, Township 22 South, Range 26 East, Eddy County, New Mexico

We are simultaneously transmitting copies of these applications to Chevron USA Inc., J. A. Tomaino and Catherine D. Tomaino, by certified mail.

As we discussed, you reserved a space for this matter on the docket for April 16, 1986, for hearing before the Division.

If anything additionally is 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

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CEC:cl

Enclosures

copies: Chevron USA Inc.  
Post Office Box 1150  
Midland, Texas 79702  
Attn: Mickey Cohlma

J. A. Tomaino and wife,  
Catherine Tomaino  
#5 Pleasant Street  
Utica, New York 13501

Mr. Douglas C. Robison  
Exxon Corporation  
Post Office Box 1600  
Midland, Texas 79702

Mr. Harlen C. Martens  
Exxon Corporation  
Post Office Box 1600  
Midland, Texas 79702

Mr. James C. Bruce  
Hinkle, Cox, Eaton, Coffield & Hensley  
Post Office Drawer 2068  
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BEFORE THE OIL CONSERVATION DIVISION  
OF THE ENERGY AND MINERALS DEPARTMENT  
STATE OF NEW MEXICO

APPLICATION OF EXXON CORPORATION     )  
FOR COMPULSORY POOLING, EDDY         )  
COUNTY, NEW MEXICO                    )

*Case 8873*

APPLICATION

Exxon Corporation, by its undersigned attorneys, hereby makes application for and requests approval of an Order pooling all interests in the Delaware and Bone Spring Formations underlying NW $\frac{1}{4}$ SW $\frac{1}{4}$  Section 27, and also pooling all interests in the Canyon, Strawn, Atoka and Morrow Formations underlying the W $\frac{1}{2}$  of Section 27, all in Township 22 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show:

1. Applicant is an operator with interests underlying the W $\frac{1}{2}$  Section 27, Township 22 South, Range 26 East, N.M.P.M., Eddy County, New Mexico and is entitled to proceed with the drilling of a well to be located at an orthodox location 1,980 feet FSL and 660 feet FWL of Section 27, Township 22 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, to explore for oil and gas under the authority of Applicant's ownership of an oil and gas leasehold interest in said W $\frac{1}{2}$  Section 27.

2. Said lands are located in the Happy Valley Morrow Field and gas and associated liquid hydrocarbons producible from the Canyon, Strawn, Atoka and Morrow Formation are the primary objectives in said well. However, oil and associated gaseous hydrocarbons are potentially producible from the Bone Spring and Delaware Formations. Accordingly as to production from the Canyon, Strawn, Atoka or Morrow Formations, Applicant proposes to dedicate the W $\frac{1}{2}$  of said Section 27 to the well and as to production from the Bone Spring or Delaware Formations, Applicant proposes to dedicate NW $\frac{1}{4}$ SW $\frac{1}{4}$  of said Section 27 to the well.

3. Applicant requested Chevron USA, Inc., whose address is more fully shown on the schedule attached hereto, as owner of the entire leasehold estate in S $\frac{1}{2}$ NW $\frac{1}{4}$  of said Section 27, to agree to participate in the drilling of said well or to farmout or otherwise commit its interest to said well, but the Chevron USA, Inc. so far has refused to do so. In addition, there are certain owners of overriding royalty interests in S $\frac{1}{2}$ NW $\frac{1}{4}$  of said Section 27 whose names and last known address are also shown on the schedule attached hereto, whose interests likewise have not been committed to said well.

SCHEDULE TO APPLICATION OF EXXON CORPORATION  
FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Lands for which pooling is sought:

Township 22 South, Range 26 East, N.M.P.M.

Section 27: NW $\frac{1}{4}$ SW $\frac{1}{4}$

as to Delaware and Bone Spring Formations

Section 27: W $\frac{1}{2}$

as to Canyon, Strawn, Atoka and Morrow Formations

Name/Address of  
Party to be Pooled

Interest Owned

Chevron USA Inc.  
Post Office Box 1150  
Midland, Texas 79702  
Attn: Mickey Cohlma

Entire Leasehold Estate  
in S $\frac{1}{2}$ NW $\frac{1}{4}$  Section 27,  
T-22-S, R-26-E, N.M.P.M.  
Eddy County, New Mexico

J. A. Tomaino and wife,  
Catherine D. Tomaino  
#5 Pleasant Street  
Utica, New York 13501

Overriding Royalty of  
5% of 8/8 underlying  
S $\frac{1}{2}$ NW $\frac{1}{4}$  Section 27, T-22-S,  
R-26-E, N.M.P.M., Eddy  
County, New Mexico

4. Applicant seeks designation of Applicant as operator of the well and 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 determine a reasonable charge for supervision and a charge for risk involved in drilling said well.

5. Approval of the pooling of all interests in Delaware and Bone Spring Formations as to NW $\frac{1}{4}$ SW $\frac{1}{4}$  of said Section 27 and all interests in the Canyon, Strawn, Atoka and Morrow Formations as to W $\frac{1}{2}$  Section 27, is in the interest of conservation and will prevent waste and protect correlative rights.

6. Applicant respectfully requests the setting of this matter before the Division at the April 16, 1986 docket.

Dated this 21st day of March, 1986.

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

By: 

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

Attorneys for Exxon  
Corporation