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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION

APPLICATION OF MESA GRANDE
RESOURCES, INC. FOR COMPULSORY
POOLING, RIO ARRIBA COUNTY,
NEW MEXICO.

Case No. _____

APPLICATION

Mesa Grande Resources, Inc., hereby makes application for an Order pooling all interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota formations in the $W\frac{1}{2}$ of Section 16, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show:

1. Applicant is a working interest owner in the $W\frac{1}{2}$ of said Section 16.

2. Applicant proposes to drill its Phantom No. 1 Well in the $W\frac{1}{2}$ of Section 16, at a standard location, to a depth sufficient to test the Gavilan Greenhorn-Graneros-Dakota formation, and seeks to dedicate the $W\frac{1}{2}$ of Section 16 to the well.

3. Order No. R-8287, which is still in effect, was previously issued by the Division, force pooling certain interest owners in the described property. It has since become necessary to force pool additional interests in the described property.

4. Applicant has in good faith sought to join all other mineral interest owners in the $W\frac{1}{2}$ of Section 16 for the purposes set forth herein.

5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to

the well, certain interest owners have refused to join in dedicating their acreage. Therefore, Applicant seeks an Order pooling all mineral interest owners in the above described formations underlying the W½ of Section 16, pursuant to § 70-2-17 N.M.S.A. 1978.

6. Applicant asks that the Division consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and costs charged for supervision. Applicant requests that it be designated as operator, under an operating agreement proposed by it, and that the Division set a penalty for the risk involved in drilling the well.

7. The pooling of all interests underlying the W½ of Section 16 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

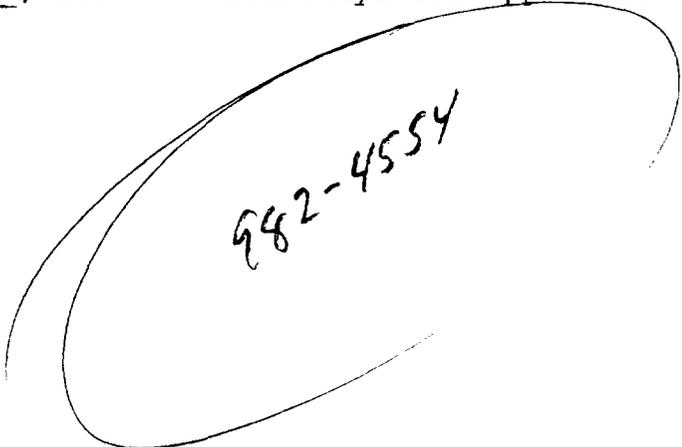
By



James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068

Dated: February 16, 1987

Attorneys for Applicant



982-4554

March 18, 1987

CASE _____

NSP: SF
Espanola

Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the W/2 of Section 16, Township 25 North, Range 2 West, to form a standard 320-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MESA GRANDE
RESOURCES, INC. FOR COMPULSORY
POOLING, RIO ARRIBA COUNTY,
NEW MEXICO.

Case No. 8963 (reopened)

AMENDED APPLICATION

Mesa Grande Resources, Inc., hereby makes an amended application for an Order pooling all interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota formations in the $W\frac{1}{2}$ of Section 16, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show:

1. Applicant is a working interest owner in the $W\frac{1}{2}$ of said Section 16.

2. Applicant proposes to drill its Phantom No. 1 Well in the $W\frac{1}{2}$ of Section 16, at a standard location, to a depth sufficient to test the Gavilan Greenhorn-Graneros-Dakota formation, and seeks to dedicate the $W\frac{1}{2}$ of Section 16 to the well.

~~3.~~ 3. Order No. R-8287 was previously issued by the Division, force pooling certain interest owners in the described property. The order has since expired and it is therefore necessary to again force pool all interests in the described property.

4. Applicant has in good faith sought to join all other mineral interest owners in the $W\frac{1}{2}$ of Section 16 for the purposes set forth herein.

5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have refused to join in

dedicating their acreage. Therefore, Applicant seeks an Order pooling all mineral interest owners in the above described formations underlying the W½ of Section 16, pursuant to § 70-2-17 N.M.S.A. 1978.

6. Applicant asks that the Division consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and costs charged for supervision. Applicant requests that it be designated as operator, under an operating agreement proposed by it, and that the Division set a penalty for the risk involved in drilling the well.

7. The pooling of all interests underlying the W½ of Section 16 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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By



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Dated: April 3, 1987

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