

Called in by Bill Carr 7/15/86

Memo

From
FLORENE DAVIDSON
OC Staff Specialist

To August 6, 1986

Mesa Grande Resources, Inc.

Compulsory Pooling

Rio Arriba County

Gallup and Dakota
formations

S/2 26-25N-2W

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July 25, 1986

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OIL CONSERVATION DIVISION

Case 8965

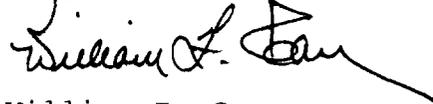
R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
State Land Office Building
Santa Fe, New Mexico 87501

Re: Application of Mesa Grande Resources, Inc. for Compulsory
Pooling, Rio Arriba County, New Mexico.

Dear Mr. Stamets:

Enclosed in triplicate is the Application of Mesa Grande Resources, Inc. in the above-referenced case. Mesa Grande Resources, Inc. respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on August 6, 1986.

Very truly yours,



William F. Carr

WFC/cv
enclosures

cc: (w/enclosure)
Ms. Kathy Michael

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

RECEIVED
JUL 25 1986

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

OIL CONSERVATION DIVISION

8965
Case ~~8964~~

APPLICATION

Comes now, MESA GRANDE RESOURCES, INC., by and through its undersigned attorneys and, as provided by Section 70-2-17, N.M.S.A. (1978), hereby makes application for an order pooling all of the mineral interests in the Gavilan-Mancos and the Gavilan-Greenhorn-Graneros Dakota Oil Pools, in and under the S/2 of Section 26, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 93.7% of the working interest in and under the S/2 of said Section 26 and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to the Gavilan No. 2 Well located in the NW/4 SE/4 of said Section 26.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the S/2 of said Section 26, except for Mountain States Natural Gas Corp., 6333 South Richmond, Tulsa, Oklahoma 74236, owner of a 6.25% working interest.

4. Said pooling of interests and well completion will

avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on August 6, 1986, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By



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ATTORNEYS FOR MESA GRANDE
RESOURCES, INC.