

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

El Patio - 117 North Guadalupe

Post Office Box 2265

Santa Fe, New Mexico 87504-2265

Telephone 982-4285

Area Code 505

W. Thomas Kellahin
Karen Aubrey

Jason Kellahin
Of Counsel

December 15, 1987

RECEIVED

DEC 16 1987

OIL CONSERVATION DIVISION

Mr. William J. LeMay
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Foran Oil Company
for Compulsory Pooling
and Unorthodox Well Location
Lea County, New Mexico

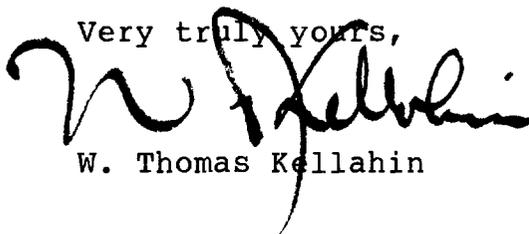
Case 9289

Dear Mr. LeMay:

On behalf of Foran Oil Company, we would appreciate you setting the enclosed application for a public hearing on the Division's Examiner docket now scheduled for January 6, 1988.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, 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. Those parties are directed to contact the Division or the applicant's attorney to determine what additional rights they may have. 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

WTK:ca
Enc.

cc: Mr. Joe Foran
Foran Oil Company
8340 Meadow Road
Dallas, Texas 75231

"Certified Return-Receipt Requested"
All parties listed in Application

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

RECEIVED

DEC 16 1987

IN THE MATTER OF THE APPLICATION
OF FORAN OIL COMPANY, FOR
COMPULSORY POOLING AND
UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

OIL CONSERVATION DIVISION

CASE: 9289

A P P L I C A T I O N

COMES NOW FORAN OIL COMPANY, by and through its attorneys, Kellahin, Kellahin & Aubrey and in accordance with Section 7-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order approving an unorthodox well location and for an order pooling all mineral interests underlying the following described acreage in Section 5, T16S, R36E, Lea County, New Mexico, in the following described manner:

Lots 11 through 14 and SW/4 of Section 5 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 developed on 320 acre spacing; and

Lots 11 and 14 to form an 80 acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing; and

Lot 14 to form a 40 acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 40-acre spacing.

All of the above described units are to be dedicated to a single well to be drilled at an unorthodox well location 1550 feet from the West line and 3950 feet from the North line of said Section 5, all as shown on Exhibit "A" attached hereto.

1. Applicant has obtained the voluntary consent of a majority of the various working interests underlying the various proposed spacing units in Section 5, T16S, R36E, Lea County, New Mexico authorizing applicant to drill the subject well.

2. Applicant has sought either voluntary agreement for pooling or farmout from the remaining mineral or working interest owners in the applicable spacing and proration units but has been unable to obtain a voluntary agreement from the parties shown on Exhibit "B".

3. That the applicant purposes to drill the subject well at an unorthodox gas well location 1550 feet FWL and 3950 feet FNL of said Section 5.

4. Pursuant to Division notice requirements, applicant has notified all the parties listed in paragraph 2 and 3 above of this application for compulsory pooling and an unorthodox well location and the applicant's request for a hearing before the Division to be set on January 6, 1988.

5. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interests involved 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 pooling 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 the subject well at an unorthodox location, completing and equipping it, 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,



By
W. Thomas Kellahin
Kellahin, Kellahin & Aubrey
P. O. Box 2265
Santa Fe, New Mexico 87504

(505) 982-4285

EXHIBIT "A"

	<u>Interest</u>	<u>Net Acres</u>	<u>Unit Interest</u>
TXO Production Corp. 900 Wilco Building Midland, Texas 79701	Assorted	67.2231	21.0072
Hugh Corrigan III Trust C. E. Corrigan C/o C. L. Ware 2500 Castleford Road Midland, Texas 79705	.0234375	2.2265625	.006958
J. Patrick Corrigan Trust c/o Doug Ferguson P. O. Drawer 432 Midland, Texas 79702	.0078125	.7421875	.023193
Diana Brunell 5622 E. 97th Street Tulsa, Oklahoma 74137	.02380952	2.2617	.70678
Raynette Bluffin Littell 165-A Wiseman Way Upland, California 91786	.01190476	1.1308	.3534

FORCE POOLING CONT'D

ANY UNKNOWN HIERS OF THE FOLLOWING

- 1) Beryl O Shinn
- 2) Nina Maude Irving
- 3) Verna I. Davenport
- 4) Euel Phillips
- 5) Wayne Phillips
- 6) Guy Hereford
- 7) Claude Phillips
- 8) Eunice Thompson
- 9) Virgie Feijoo
- 10) Erma L. Bernay
- 11) Dale Phillips
- 12) Lem Gresham
- 13) J.T. Phillips

FORMATIONS TO BE POOLED (SHALLOW-DEEP)

- 1) Bone Springs
- 2) Wolfcamp
- 3) Cisco
- 4) Strawn
- 5) Atoka
- 6) Morrow

Spacing: State Rules-320 Morrow 12,300'

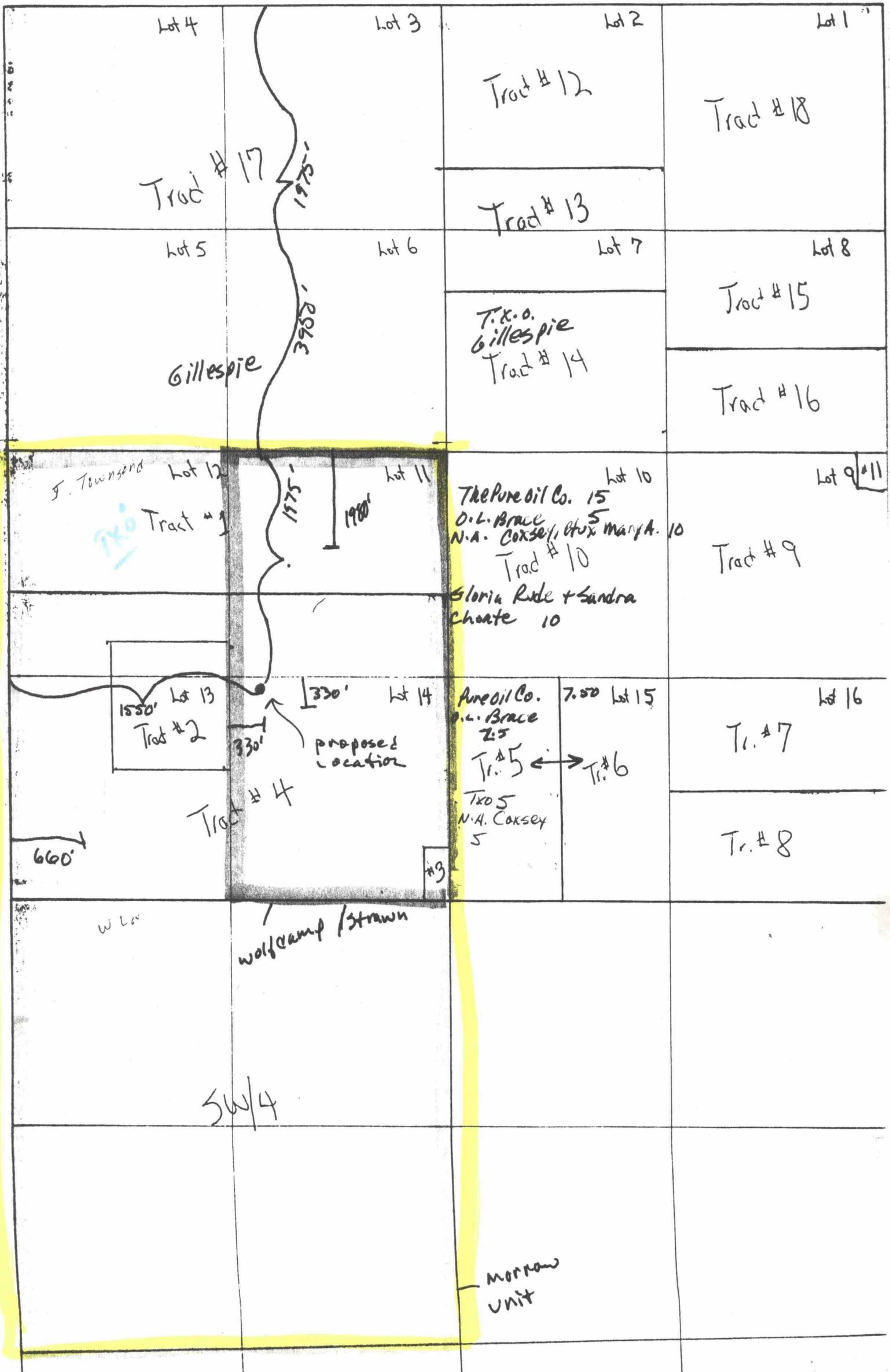
SECTION PLAT

Scale: 1 inch = 660 feet

Printed in U.S.A.

3950' FNL
1550' FWL

SECTION 5 TOWNSHIP 16 South RANGE 36 East COUNTY Lea STATE N.M.



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Jason Kellahin
Of Counsel

RECEIVED

January 11, 1988

JAN 17 1988

OIL CONSERVATION DIVISION

Mr. William J. LeMay
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Amendment of Foran Oil Company
Application for Unorthodox
Location and Compulsory Pooling
NMOCD Case 9289

Dear Mr. LeMay:

Our firm represents Foran Oil Company and at its request had docketed a compulsory pooling and unorthodox well location case for hearing on the Examiner's docket for January 6, 1988. This is Case 9289.

At the hearing we obtained a continuance of the case to the examiner's hearing on February 3, 1988, so that the case could be readvertised.

We seek to amend and readvertise this case to change the 80 acre spacing unit and to correct the designation of the 40-acre spacing unit. Foran Oil Company desires to change from the standup 80-acre dedication of lots 11 and 14 to a laydown 80-acre spacing dedication of lots 11 and 12. While the location of the well will not change, the change in spacing unit causes the well to be 10 feet from the South line of the 40 acre spacing unit which is an unorthodox oil well location for both 80 acre and 40 acre spacing. In addition, the well is 1310 feet from the North line of the 320-acre spacing unit and continues to be unorthodox for any 320 acre spaced formations.

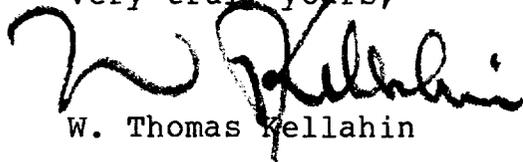
Finally, the designation of the 40 acre spacing incorrectly shows lot 14 when in fact the well will be in lot 11.

KELLAHIN, KELLAHIN & AUBREY

Mr. William J. Lemay
January 11, 1988
Page 2

I have enclosed an amended application that corrects the points identified above.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: Mr. Joe Foran
Foran Oil Company
8340 Meadow Road
Dallas, Texas 75231

"Certified Return-Receipt Requested"
All parties listed in Application

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

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JAN 12 1988

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF FORAN OIL COMPANY, FOR
COMPULSORY POOLING AND
UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

CASE: 9289

FIRST AMENDED

A P P L I C A T I O N

COMES NOW FORAN OIL COMPANY, by and through its attorneys, Kellahin, Kellahin & Aubrey and in accordance with Section 7-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division to Amend its Application for an Unorthodox Well Location and for an order pooling all mineral interests underlying the following described acreage in Section 5, T16S, R36E, Lea County, New Mexico, in the following described manner:

Lots 11 through 14 and SW/4 of Section 5 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 developed on 320 acre spacing; and

Lots 11 and 12 to form an 80 acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing; and

Lot 11 to form a 40 acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 40-acre spacing.

All of the above described units are to be dedicated to a single well to be drilled at an unorthodox well location 1550 feet from the West line and 3950 feet from the North line of said Section 5, all as shown on Exhibit "A" attached hereto.

1. Applicant has obtained the voluntary consent of a majority of the various working interests underlying the various proposed spacing units in Section 5, T16S, R36E, Lea County, New Mexico authorizing applicant to drill the subject well.

2. Applicant has sought either voluntary agreement for pooling or farmout from the remaining mineral or working interest owners in the applicable spacing and proration units but as of the date of this application has not received a signed agreement from the parties shown on Exhibit "B".

3. That the applicant purposes to drill the subject well at an unorthodox gas and oil well location 1550 feet FWL and 3950 feet FNL of said Section 5 and has provided notice to the offsetting operators as shown on Exhibit C.

4. Pursuant to Division notice requirements, applicant has notified all the parties listed in paragraphs 2 and 3 above of this application for compulsory pooling and an unorthodox well location and the applicant's request for a hearing before the Division to be set on February 3, 1988.

5. In order to obtain its just and equitable share of the potential production underlying the above tract, and in order to protect applicant's correlative rights and prevent waste, Applicant needs an order pooling the mineral interests of those parties who fail to enter into fully executed written agreements voluntarily committing their interest to the well.

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 pooling 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 the subject well at an unorthodox location, completing and equipping it, 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,



By
W. Thomas Kellahin
Kellahin, Kellahin & Aubrey
P. O. Box 2265
Santa Fe, New Mexico 87504

(505) 982-4285

3950' FNL
1550' FNL

SECTION 5 TOWNSHIP 16 South RANGE 36 East COUNTY Lea STATE N.M.

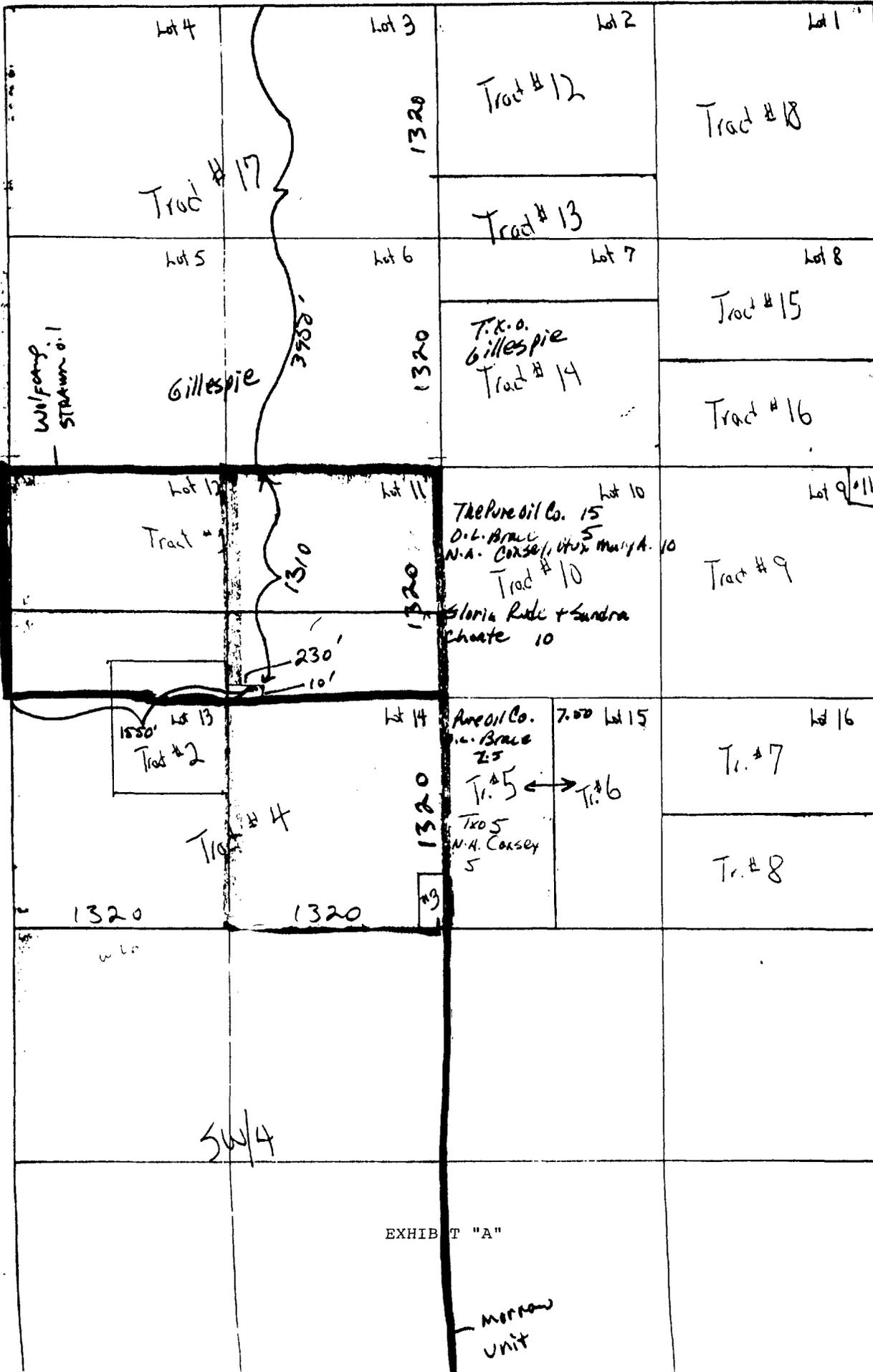


Exhibit "B"

	320-Acre Unit		80-Acre Unit		40-Acre Unit	
	<u>Net</u>	<u>Percentage</u>	<u>Net</u>	<u>Percentage</u>	<u>Net</u>	<u>Percentage</u>
TXO Production Corporation 900 Wilco Building Midland, Texas 79701	67.212	21.004	51.667	64.5838	25.8315	64.5787
Hugh Corrigan III Trust C.E. Corrigan c/o C. L. Ware 2500 Castleford Road Midland, Texas 79705	2.2265625	.6958	.3516	.4395	.1758	.4395
Diana Brunell 5622 E. 97th Street Tulsa, Oklahoma 74137	2.2619	.70684	.3571	.4464	.1786	.4464
Raynette Bluffin Littell 165-A Wiseman Way Upland, California 91786	1.1309	.3534	.1786	.2232	.0893	.2232

EXHIBIT "B"

FORCE POOLING CONT'D

ANY UNKNOWN HIERS OF THE FOLLOWING

- 1) Beryl O Shinn
- 2) Nina Maude Irving
- 3) Verna I. Davenport
- 4) Euel Phillips
- 5) Wayne Phillips
- 6) Guy Hereford
- 7) Claude Phillips
- 8) Eunice Thompson
- 9) Virgie Feijoo
- 10) Erma L. Bernay
- 11) Dale Phillips
- 12) Lem Gresham
- 13) J.T. Phillips

FORMATIONS TO BE POOLED (SHALLOW-DEEP)

- 1) Bone Springs
- 2) Wolfcamp
- 3) Cisco
- 4) Strawn
- 5) Atoka
- 6) Morrow

Spacing: State Rules-320 Morrow 12,300'

EXHIBIT "C"

OFFSET OPERATORS

Charles B. Gillespie, Jr.
Gillespie Oil & Gas
P. O. Box 8
Midland, Texas 79702
Attn: Mr. William R. Crow

TXO Production Corporation
900 Wilco Building
Midland, Texas 79701

Hugh Corrigan III Trust
C. E. Corrigan
c/o C. L. Ware
2500 Castleford Road
Midland, Texas 79705

J. Patrick Corrigan Trust
c/o Doug Ferguson
P. O. Drawer 432
Midland, Texas 79702

Diana Brunell
5622 E. 97th Street
Tulsa, Oklahoma 74137

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