

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

IN THE MATTER OF THE APPLICATION OF
JEROME P. MCHUGH FOR COMPULSORY
POOLING, RIO ARRIBA COUNTY,
NEW MEXICO.

RECEIVED

JUL 5 1978

CASE: OIL CONSERVATION DIVISION
7277

A P P L I C A T I O N

COMES NOW JEROME P. MCHUGH & ASSOCIATES, by and through their 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 pooling all mineral interest in the West Puerto Chiquito Mancos Oil Pool underlying all of Section 2, T23N, R1W, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled to a depth of approximately 7,600 feet at standard well location in said Section 2.

1. With the exception of Texaco, USA, Inc's interest, applicant has obtained the voluntary consent of all of the working interest owners in Section 2, T23N, R1W, Rio Arriba County, New Mexico authorizing applicant to drill the subject well.

2. Applicant has sought either voluntary agreement for pooling or farmout from Texaco, USA, Inc., the remaining mineral or working interest owner, in the applicable spacing and proration unit but has been unable

to obtain a voluntary agreement. It is believed that Texaco, USA, Inc. has a leasehold interest in the W/2 of Section 2 and therefore a 50% gross working interest in the subject spacing unit.

3. Pursuant to Division notice requirements, applicant has notified Texaco, USA, Inc. of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on January 20, 1988.

4. 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
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