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Karen Aubrey

Jason Kellahin  
Of Counsel

RECEIVED

MAY 27 1988

May 27, 1988

OIL CONSERVATION DIVISION

Mr. William J. LeMay  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 85701

"Hand Delivered"

Re: Anadarko Petroleum Corporation  
for Compulsory Pooling and  
Unorthodox Well Location  
Lea County, New Mexico

Case 9971

Dear Mr. LeMay:

On behalf of Anadarko Petroleum Corporation, please  
get the enclosed application for a public hearing on the  
Division's Examiner docket now scheduled for June 22,  
1988.

The following is suggested as a possible  
advertisement for this case:

Application of Anadarko Production Company for  
Compulsory Pooling and Unorthodox Well Location, Lea  
County, New Mexico. Applicant, in the above-styled  
cause, seeks an order pooling all mineral interests  
underlying the following described acreage in  
Section 28, Township 16 South, Range 38 East, in the  
following described manner:

SE/4SE/4 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, and in the alternative

E/2SE/4 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.

All of the above described units are to be dedicated  
to a well to be drilled at an unorthodox location  
450 feet from the East line and 1100 feet from the

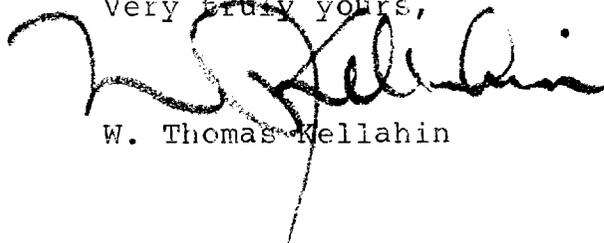
KELLAHIN, KELLAHIN & AUBREY

Mr. William J. LeMay  
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South line (Unit F) of said Section 28. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is approximately \_\_\_\_\_ mile \_\_\_\_\_ of \_\_\_\_\_, New Mexico.

By copy of this letter, and enclosed application, 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 either in support of or 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. Dan Kernaghan  
Anadarko Production Company  
P. O. Box 2497  
Midland, Texas 79702

All interested parties listed Exhibit "A" & "B"

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

RECEIVED

MAY 27 1978

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF ANADARKO PETROLEUM CORPORATION  
FOR COMPULSORY POOLING AND UNORTHODOX  
WELL LOCATION, LEA COUNTY,  
NEW MEXICO.

CASE: 9417

A P P L I C A T I O N

Comes now ANADARKO PETROLEUM CORPORATION, by and through its attorneys, Kellahin, Kellahin & Aubrey, and in accordance with Section 70-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the SE/4SE/4 of Section 28, T16S, R38E, NMPM, forming a 40 acre oil spacing and proration unit for any and all formations and/or pools within this vertical extent, and for the approval of an unorthodox oil well location 450 feet FEL and 1100 feet FSL of said Section. Applicant further seeks an order pooling all mineral interests in the Strawn underlying the E/2SE/4 of said Section 28 forming an 80 acre oil spacing and proration unit in the event that 80 acre spacing becomes effective for this well, and in support thereof would show the Division:

1. Applicant has obtained the voluntary consent of a majority of the various working interests underlying the SE/4SE/4 and E/2SE/4 of Section 28, T~~26~~<sup>16</sup>S, R38E, 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 listed on Exhibit "A".

3. That the applicant purposes to drill the subject well at an unorthodox oil well location 450 feet FEL and 1100 feet FSL of said Section 28 which is within 220 feet of the adjoining NE/4SE/4 which has interests identical to the SE/4SE/4 that a standard location would be 330 feet from this quarter-quarter line.

4. Applicant has shown on Exhibit "B" the names and addresses of those owners who have interests in the NE/4SE/4 of Section 28 towards whom the subject location is encroaching.

5. Pursuant to Division notice requirements, applicant has notified all the parties listed in Exhibit "A" and "B" of this application for compulsory pooling and unorthodox well location and the applicant's request for a hearing before the Division to be set on June 22, 1988.

6. In order to obtain its just 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 of the well, for such other and further relief as may be proper.

Respectfully submitted,



W. Thomas Kellihin, Esq.  
Kellihin, Kellihin & Aubrey  
P. O. Box 2265  
Santa Fe, New Mexico 87504

EXHIBIT "A"

List of Unleased Mineral Interest and  
Leasehold Interest Owners for a  
Possible Force Pooling Hearing

	<u>Net Acres</u>	<u>Interest Percent</u>
Raymond Randolph P. O. Box 51823 Lafayette, LA 70505-1823	0.168	0.42%
Fernand Renoncourt c/o Imperial Trusts Co. of Canada Toronto, Ontario, Canada	0.068	0.17%
Paul Bolband Paris, France (1933)	0.052	0.13%
American Hess Corporation 1200 Milam Street Entex Building, 7th Floor Houston, Texas 77002	5.592	13.98%

EXHIBIT "B"

List of Offset Operators, Unleased Mineral Interest  
and Leasehold Interest Owners  
Towards whom Well is Encroaching

Kirby Exploration/  
American Exploration Company  
2100 RepublicBank Center  
700 Louisiana  
Houston, Texas 77002

American Hess Corporation  
1200 Milam Street  
Entex Building, 7th Floor  
Houston, Texas 77002

Wood Oil Company  
320 South Boston, Suite 518  
Tulsa, OK 74103

Willard J. Sigsburg  
(Address Unknown) (1928)

Raymond W. Randolph  
P. O. Box 51823  
Lafayette, LA 70505-1823

Fernand Renoncourt  
c/o Imperial Trusts Co.  
of Canada  
Toronto, Ontario, Canada (1933)

Paul Balband  
Paris, France (1933)