

KELLAHIN, KELLAHIN and AUBREY

*Attorneys at Law*

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Of Counsel

Santa Fé, New Mexico 87504-2265

RECEIVED

June 17, 1988

JUN 21 1988

OIL CONSERVATION DIVISION

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

"Hand Delivered"

Re: No. 1 Ridge State Well  
Application of W. A. Moncrief, Jr.  
For Compulsory Pooling and  
Unorthodox Location, Eddy County  
New Mexico.

Case 9437

Dear Mr. LeMay:

Please find enclosed our application on behalf of W. A. Moncrief, Jr. for a compulsory pooling order and an unorthodox location. We request that this application be set on the examiner's docket now scheduled for July 20, 1988.

We suggest the following for an advertisement for the newspaper and for the docket:

Application of W. A. Moncrief, Jr. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to either the base of the Morrow formation or to a depth of 11,200 feet, whichever is deeper, underlying the N/2 of Section 17, T24S, R25E, NMPM, Eddy County, New Mexico, forming a standard 320-acre spacing and proration unit for a well to be drilled at an unorthodox gas location 360 feet from the North line and 1980 feet from the West line of Section 17 to be dedicated to its No. 1 Ridge State well to be drilled to a depth of approximately 11,200 feet.

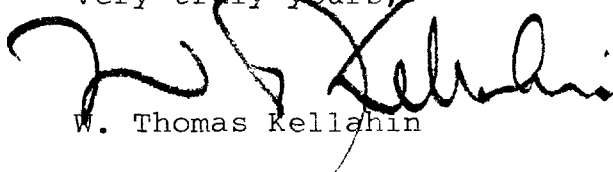
By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application. Those parties are directed to contact the Division or the applicant's

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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. W. A. Moncrief, Jr.  
400 Metro Building  
Midland, Texas 79701

"Certified-Return Receipt Requested"

All parties listed in Exhibit "A" and "B"

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

RECEIVED

JUN 21 1968

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF  
W. A. MONCRIEF, JR. FOR COMPULSORY  
POOLING AND UNORTHODOX WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

CASE:

9437

A P P L I C A T I O N

COMES NOW W. A. MONCRIEF, JR., by and through his 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 Morrow formation underlying the N/2 of Section 17, T24S, R25E, Eddy County, New Mexico, forming a standard 320-acre spacing and proration unit for a well to be drilled at an unorthodox gas location 360 feet from the North line and 1980 feet from the West line of Section 17 to be dedicated to its No. 1 Ridge State well to be drilled to a depth of approximately 11,200 feet.

1. Applicant, owns a 37.5% leasehold interest in the N/2 Section of 17, T24S, R25E, Eddy County, New Mexico.

2. El Paso Natural Gas Company and Meridian Oil, Inc. own a 37.5% leasehold interest with Exxon Company, U.S.A. owning the remaining 25% leasehold interest in the proration unit.

3. Applicant has sought either voluntary agreement for pooling or farmout from the mineral or working interest owners, in the applicable spacing and proration unit but has been unable to obtain a voluntary agreement from the parties listed in Exhibit "A".

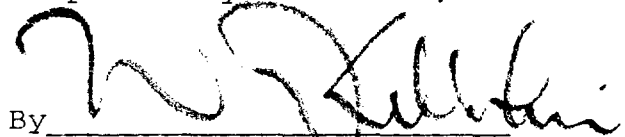
4. Pursuant to Division notice requirements, applicant has notified the parties listed in Exhibit "A" and "B", attached hereto, of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on July 20, 1988.

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,

A handwritten signature in dark ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

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

(505) 982-4285

Exhibit "A"

Mr. Paul Yale  
Exxon Company, U. S. A.  
P. O. Box 1600  
Midland, Texas 79702

Mr. Dennis Sledge  
El Paso Natural Gas Company  
21 Desta Drive  
Midland, Texas 79705

Meridian Oil, Inc.  
21 Desta Drive  
Midland, Texas 79705

Exhibit "B"

OFFSET OPERATORS

Dennis Sledge  
Meridian Oil Inc.  
21 Desta Drive  
Midland, Texas 79705

Paul Yale  
Exxon Company, USA  
P. O. Box 1600  
Midland, Texas 79702

Carter Moore  
Amoco Production Company  
P. O. Box 3092  
Houston, Texas 77253

Randall E. Hudson, III  
616 Texas Street  
Ft Worth, Texas 76102

Dennis Sledge  
El Paso Natural Gas Co.  
21 Desta Drive  
Midland, Texas 79705

Kevin Pfister  
Terra Resources, Inc.  
10 Desta Drive  
Suite 500 West  
Midland, Texas 79705

George J. Pilmanis  
P. O. Box 3138  
Boulder, Colorado 80307

Oxoco Exploration & Prod.  
4900 Woodway Drive, #600  
Houston, Texas 77056