

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF COLLINS & WARE, INC.
FOR COMPULSORY POOLING, AND
AN UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

RECEIVED
OIL CONSERVATION DIVISION
CASE NO. 10314

APPLICATION

COLLINS & WARE, INC., through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all of the mineral interests in all formations developed on 320-acre spacing in the S/2 of Section 13, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and for an unorthodox well location and in support thereof states:

1. Applicant owns or represents approximately 80% of the working interest in and under the S/2 of Section 13, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an unorthodox location 2210 feet from the South line and 1980 feet from the East line of said Section 13, to a depth of approximately 13,850 feet to test all formations to the base of the Morrow formation.
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 13, except for those working interest owners set out on Exhibit "A" to this application.

4. Applicant seeks an exception to the well location requirements of Division Rule 104 to permit the drilling of this well at the above described unorthodox well location.

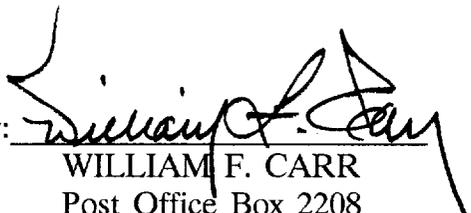
5. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

6. 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 an Examiner of the Oil Conservation Division on May 30, 1991 and, 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 approving an unorthodox location for this well.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

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EXHIBIT A

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