

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

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W. THOMAS KELLAHIN*
KAREN AUBREY†

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW
†ALSO ADMITTED IN ARIZONA

SANTA FE, NEW MEXICO 87504-2265

JASON KELLAHIN (RETIRED 1991)

June 9, 1992

Mr. William J. LeMay
Oil Conservation Division
State Land Office Building
310 Old Santa Fe Trail, Room 218
Santa Fe, New Mexico 87501

HAND DELIVERED

RECEIVED

RE: Application of Meridian Oil Inc.
for Compulsory Pooling,
Lea County, New Mexico

JUN 09 1992

OIL CONSERVATION DIVISION

Dear Mr. LeMay:

10502

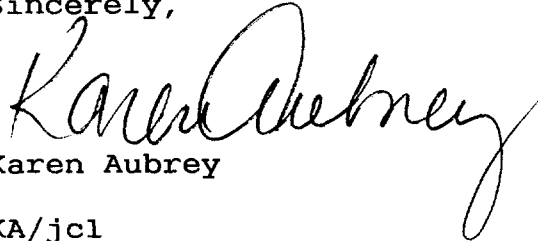
On behalf of Meridian Oil Inc., we would appreciate you setting the enclosed Application for a public hearing on the Division's Examiner's docket now scheduled for July 9, 1992.

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 file a pre-hearing statement with the Division and send a copy to the undersigned not later than 4:00 PM on July 2, 1992.

In addition, these potential parties are advised that the entry of a compulsory pooling order will affect their rights to share in the production from the subject well.

Mr. William J. LeMay
June 9, 1992
Page 2

Sincerely,

A handwritten signature in cursive script, appearing to read "Karen Aubrey".

Karen Aubrey

KA/jcl
Enclosures

xc: Don Davis (w/encl.) - Meridian Oil Inc.

Certified mail return receipt
To those parties listed in Paragraph
Number (3) of the Application

appk609b.330
red tank #2

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

RECEIVED

JUN 09 1992

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF MERIDIAN OIL INC. FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO

NO. 10502

A P P L I C A T I O N

COMES NOW MERIDIAN OIL INC., by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the surface to the base of the Delaware formation or 8700 feet, whichever is deeper, underlying the following described acreage in Section 23, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico in the following manner:

To form a standard 40-acre oil spacing and proration unit consisting of the NW/4NW/4 of Section 23. In support thereof, Applicant states:

1. Applicant has the right to drill and develop the NW/4NW/4 of Section 23, T22S, R33E, N.M.P.M., Lea County, New Mexico.

2. Applicant desires to drill its Red Tank Federal #2 well at a standard location, 660 feet FNL and 660 feet FWL of said Section 23 and to dedicate the NW/4NW/4 (40 acres) to said well.

3. Applicant is informed and believes that following are working interest/mineral owners in the NW/4NW/4 of said Section 23:

(a)	C.W. Trainer 8090 Kalil Drive Scottsdale, AZ 85260	31.324%
(b)	Frank Prince IV 8016 Connecticut Ave Washington, DC 20006	50.251%
(c)	Matco 850 4305 N. Garfield, #233 Midland, TX 79705	2.513%
(d)	Trobraugh Properties 4305 N. Garfield, #233 Midland, TX 79705	2.513%
(e)	A.J. Losee P.O. Drawer 239 Artesia, NM 88210	5.024%
(f)	Meridian Oil Inc. P.O. Box 4289 Farmington, NM 87499	8.375%
		<hr/> 100.000%

4. Applicant has sought the voluntary agreement of the interest owners listed in Paragraph Number (3) above for the formation of the appropriate spacing and

proration unit for the drilling of the subject well, but has been unable to obtain a voluntary agreement.

5. Pursuant to the Division notice requirements, applicant has notified those listed in Paragraph Number (3) above (with the exception of Meridian Oil Inc.) of this application for compulsory pooling and its request for a hearing on July 9, 1992 by sending them a copy of this application and cover letter by certified mail, return receipt requested.

6. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interest involved in order to protect applicant's correlative rights and prevent waste.

WHEREFORE, applicant prays that this application be set for hearing on July 9, 1992 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, that the order make provisions for applicant to recover, out of production, its costs

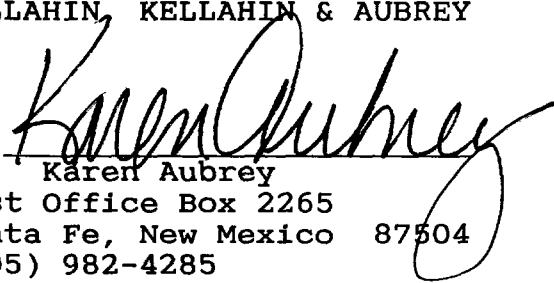
Application of Meridian Oil Inc.
Page 4

of drilling, completing and equipping the well, and
costs of operation, including costs of supervision, and
a risk factor in the amount of 200% for the drilling
and completion of the well and for such other and
further relief as may be proper.

Respectfully submitted,

KELLAHIN, KELLAHIN & AUBREY

By:


Karen Aubrey
Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285
ATTORNEYS FOR APPLICANT

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

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JUL 06 1992

OIL CONSERVATION DIVISION

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