

BEFORE THE NEW MEXICO
OIL CONSERVATION DIVISION

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OIL CONSERVATION DIVISION

APPLICATION OF MESA GRANDE
RESOURCES, INC., FOR COMPULSORY
POOLING, RIO ARRIBA COUNTY,
NEW MEXICO

No. 8278

APPLICATION

Mesa Grande Resources, Inc., by its undersigned attorneys, hereby makes application for an Order pooling all interests from the top of the Gavilan-Mancos pool to the base of the Dakota producing interval underlying the W1/2 of Section 23, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and in support of its application would show:

1. Applicant is the working interest owner of certain interests in the W1/2 of Section 23, Township 25 North, Range 2 West, Rio Arriba County, New Mexico.

2. Applicant is the operator of Mesa Grande Resources #1 Gavilan-Howard Well, which Applicant has drilled in the SE1/4NW1/4 of Section 23.

3. Applicant has in good faith sought to join all other working interest owners in the W1/2 of Section 23 for the purpose of forming a 320 acre proration unit in the W1/2 of Section 23.

4. Although Applicant attempted to obtain voluntary agreements from all working interest owners in dedicating their acreage to the 320 acre unit, there are still some working interest owners who have refused to join in dedicating their

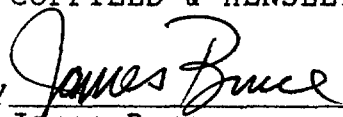
acreage to the unit, and Applicant seeks an Order from the Division pooling all mineral interests from the top of the Gavilan-Mancos pool to the base of the Dakota producing interval underlying the W1/2 of Section 23, pursuant to § 70-2-17 N.M.S.A. 1978.

5. The Division's Order entered pursuant to this Application should designate Applicant as operator of the well. Applicant also requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, actual operating costs and charges for supervision, and a charge for the risk involved in drilling the well.

6. Approval of this Application will be in the interests of conservation, the prevention of waste, and the protection of correlative rights.

7. Applicant requests that this matter be set for the July 25, 1984 Examiner Hearing of the Oil Conservation Division

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Dated: July 2, 1984