GIL CONSERVATION DIVISION RECEIVED

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

IN THE MATTER OF THE APPLICATION OF HAMON OIL COMPANY, FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE: 8368

APPLICATION

Comes now Hamon Oil Company and applies to the Oil Conservation Division of New Mexico for an order pooling all mineral interests from the surface to 12,000 feet underlying the N/2 of Section 25, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico, for the formation of a proration and spacing unit for the said production and in support thereof would show the Commission:

1. Applicant is an owner of the right to drill and develop the N/2 of Section 25, Township 23 South, Range 26 East, NMPM.

2. Applicant proposes to Re-enter the Huber Mobil Federal #1 well at a location 1980 feet FN & WL or in the alternative to drill a test well at a standard location in said unit and to dedicate the N/2 of said Section to the well.

3. Applicant has sought to obtain the cooperation of all parties.

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4. In order to obtain their just and equitable share of the production underlying the above lands, Applicant needs an order pooling the mineral interest involved.

5. Those who have not consented to join in the reentry or drilling of a well, with their addresses, to the best of applicant's information and belief, are as follows:

> Mobil Oil Corporation P. O. Box 633 Midland, Texas 79702 Attn: John Goodwin

6. The parties names in paragraph 5 above have been furnished a copy of this application.

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 provision for applicant to recover out of production its costs of drilling the subject well, completing and equipping it, costs of operation, including costs of

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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,

Hamon Oil Company By.

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Attorneys for Applicant