

BEFORE THE  
OIL CONSERVATION DIVISION

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NEW MEXICO DEPARTMENT OF ENERGY AND MINERAL CONSERVATION DIVISION

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

Case 8897

APPLICATION

Comes now, MESA GRANDE RESOURCES, INC., by and through its undersigned attorneys and, as provided by Section 70--2-17, N.M.S.A. (1978), hereby makes application for an order pooling all of the mineral interests in the Pictured Cliffs formation in and under the SE/4 of Section 5, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 75% of the working interest in the Pictured Cliffs formation in and under the SE /4 of Section 5.

2. Applicant proposes to dedicate the above-referenced pooled unit to its Guardian Federal No. 1 Well located 790 feet from the South and East lines of said Section 5.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the SE/4 of said Section 5, except for Chevron U.S.A., Inc., Post Office Box 599, Denver, Colorado 80201 (Attention: Mr. Mark Miller), owner of a 25% working interest.

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

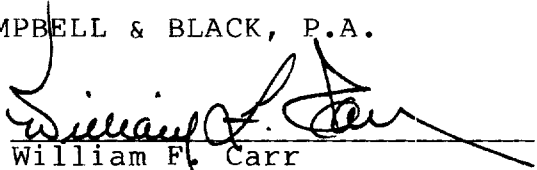
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on May 14, 1986, and that 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, approving the location of the well as proposed by applicant, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By

  
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
(505) 988-4421

ATTORNEYS FOR MESA GRANDE  
RESOURCES, INC.