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November 7, 1986

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Hand-Delivered

OIL CONSERVATION DIVISION

Richard L. Stamets  
NM Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

*Case 9045*

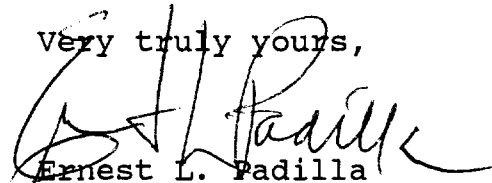
Dear Mr. Stamets:

Enclosed, for filing, in triplicate, is the application of Santa Fe Energy Operating Partners, L.P. for compulsory pooling.

As stated in the application we request that the application be set for hearing at the December 3, 1986, Examiner Hearing.

Thank you for your assistance.

Very truly yours,

  
Ernest L. Padilla

ELP:kkkr

cc with enclosure: Santa Fe Energy Operating Partner, L.P.

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

7 1986

APPLICATION OF SANTA FE  
ENERGY OPERATING PARTNERS,  
L.P., FOR COMPULSORY  
POOLING, EDDY COUNTY,  
NEW MEXICO.

OIL CONSERVATION DIVISION

Case No. 9045

APPLICATION

Santa Fe Energy Operating Partners, L.P., hereby makes application for an Order pooling all interests from the surface to the base of the Morrow formation in the E½ of Section 24, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show:

1. Applicant is a working interest owner in the E½ of said Section 24.

2. Applicant proposes to drill its Hargis No. 1 Well in the E½ of Section 24, at a standard location 1980 feet from the North and East lines of Section 24 to a depth of 12,350 feet or the base of the Morrow formation, and seeks to dedicate the E½ of Section 24 to the well.

3. Applicant has in good faith sought to join all other mineral interest owners in the E½ of Section 24 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have refused to join in dedicating their acreage. Therefore, Applicant seeks an Order

pooling all mineral interest owners underlying the E½ of Section 24, pursuant to § 70-2-17 N.M.S.A. 1978.

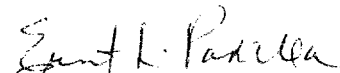
5. Applicant asks that the Division consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty for the risk involved in drilling the well.

6. The pooling of all interests underlying the E½ of Section 24 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Applicant requests that this matter be heard at the December 3, 1986 Examiner hearing.

PADILLA & SNYDER

By



Ernest L. Padilla

Post Office Box 2523

Santa Fe, New Mexico 87504-2523

Attorney for Applicant

Dated: ~~December~~ <sup>November 7</sup>, 1986