

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF PRESIDIO
OIL COMPANY FOR
COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.

Case No.

9173

APPLICATION

Presidio Oil Company hereby makes application for an Order pooling all interests from the surface to the base of the Canyon formation in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 12, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show:

1. Applicant is a working interest owner in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 12.

2. Applicant proposes to drill a well in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 12, at a standard location, ^{from surface} to a depth of approximately 5600 feet or the base of the Canyon formation. Applicant seeks to dedicate the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 12 to the well.

3. Applicant has in good faith sought to join all other mineral interest owners in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 12 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 SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 12, 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 SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 12 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Applicant requests that this matter be heard at the July 15, 1987 Examiner hearing.

HINKLE, COX, EATON,
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