

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

IN THE MATTER OF THE APPLICATION  
OF PENNZOIL COMPANY,  
FOR COMPULSORY POOLING AND  
UNORTHODOX LOCATION  
LEA COUNTY, NEW MEXICO.

RECEIVED  
OCT 11 1978  
OIL CONSERVATION DIVISION  
CASE: 9268

A P P L I C A T I O N

COMES NOW PENNZOIL COMPANY, by and through its attorneys, Kellahin, Kellahin & Aubrey and in accordance with Section 70-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests in the Strawn and Atoka formations, Lea County, New Mexico, underlying the E/2SW/4 of Section 3, T17S, R37E, NMPM, for the formation of on 80 acre spacing and proration unit for its #1 Simmons well to be drilled at an Unorthodox Location 1310' FSL and 1980' FWL, and in support thereof would show the Division:

1. Applicant has obtained the voluntary consent of 75% of the working interests underlying the E/2SW/4 of Section 3, T17S, R37E, Lea County, New Mexico authorizing applicant to drill the subject well.

2. Applicant has sought either voluntary agreement for pooling or farmout from the remaining 25% of the other mineral or working interest owners in the E/2SW/4

but has been unable to obtain a voluntary agreement as listed on Exhibit A attached hereto and incorporated herein.


3. Pursuant to Division notice requirements, applicant has notified all the parties shown on Exhibit A of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on November 18, 1987.

4. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interests involved in order to protect applicant's correlative rights and prevent waste.

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 provisions for applicant to recover out of production its costs of drilling the subject well at an unorthodox location, completing and equipping it, costs of

operation, including costs of 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,

By   
W. Thomas Kellahin  
Kellahin, Kellahin & Aubrey  
P. O. Box 2265  
Santa Fe, New Mexico 87504

(505) 982-4285

ADDRESS LIST  
#1 Simmons Well  
Lea County, New Mexico

Amerada Hess Corporation 1201 Louisiana; Suite 700 Houston, Texas 77002 Attention: Mr. Bill Hough	10% Working Interest
Mobil Producing Texas & New Mexico Inc. P. O. Box 633 Midland, Texas 79702 Attention: Mr. Kent Johnston	1.7644% Working Interest
Mr. Bill Seltzer 507 Petroleum Building Midland, Texas 79701	4.6875% Working Interest
Harvey E. Yates Company Explorers Petroleum Corp. Spiral, Inc. P. O. Box 1933 Roswell, New Mexico 88201 Attention: Robert H. Bell	6.7765% Working Interest .5938% Working Interest .5938% Working Interest
Yates Energy Corporation Suite 1010, SunWest Center Roswell, New Mexico 88201 Attention: Mr. Ken Hammond	3.9109% Working Interest
Mrs. Sue Anne Stoltenberg Campbell 1603 Humble Midland, Texas 79702	.3906% Unleased Mineral Interest
Hanesco, Inc. P. O. Drawer 2588 Roswell, New Mexico 88201	3.125% Unleased Mineral Interest
Mrs. Lynne Waite Stoltenberg Ray 1904 N. "L" Midland, Texas 79705	.3906% Unleased Mineral Interest

EXHIBIT "A"

<u>Name</u>	<u>Description</u>	<u>Net Acres</u>	<u>E/2 Spacing % of Ownership</u>
Allen Construction Co. (address unknown)	Tr. in NE/4SE/4	2.257	.70531%
Mr. & Mrs. Charles L. Barr (address unknown)	San Juan Park Sub., 3rd Ext., B-1, L-24	.158	.04938%
Mr. & Mrs. Bert R. Beach (address unknown)	Part of E. Main St.	1.722	.53813%
Mr. & Mrs. Larkin Beck (address unknown)	Road in SE/4NE/4	.528	.16500%
Ms. Eileen Blackwell (address unknown)	Tr. in SE/4SE/4	.036	.01125%
Mr. Leo Carlton (address unknown)	Roads and alleys in the Carlton Sub.	.5725	.17891%
Ms. Marvine Carlton (address unknown)	Roads and alleys in the Carlton Sub.	.5725	.17891%
Heirs of James Cooper, Deceased (Bessie Locke, et al) (address unknown)	Parts of Cooper Ave., 20th St., & Santiago St.	4.886	1.52688%
Mr. & Mrs. Robert R. Crawford Rt. 1, Box S-30 Aztec, New Mexico	Tract in S/2SE/4NE/4	.498	.15563%
Mr. & Mrs. Ray A. Durrall (address unknown)	Carlton Sub., B-5, L-6	.187	.05844%
Mr. & Mrs. Edwin A. Egli (address unknown)	Road in SE/4SE/4	.039	.01219%
Flatland Enterprises P.O. Box 2252 Durango, Colorado 81302	Tract in SE/4SE/4	.690	.21563%
Mr. & Mrs. Betty J. Gossell (address unknown)	Carlton Sub., B-6, L-1	.178	.05563%
Mr. & Mrs. Jack A. Holt (address unknown)	Holt Sub., Lots 2,3,7,8,9, Part of Sullivan Ave.	.982	.30688%
Mr. A. C. Hubbard (address unknown)	Part of E. Main St.	.902	.28188%

<u>Name</u>	<u>Description</u>	<u>Net Acres</u>	<u>E/2 Spacing % of Ownership</u>
Mr. Sophus Jensen, Jr. (address unknown)	Part of Navajo St.	.100	.03125%
Mr. & Mrs. William N. Kight (address unknown)	Part of E. Main St.	.530	.16563%
Land Development Co. (address unknown)	Roads in E/2SE/4SE/4	3.050	.95313%
Mr. Allen Lowe (address unknown)	Holt Sub., L-5	.121	.03781%
Martin Marietta Corp. 6801 Rockledge Dr. Bethesda, MD 20817	Parts of Vine Ave. & Navajo St.	2.116	.66125%
Mr. & Mrs. John O. Mattics 1113 South Jackson Tucumcari, New Mexico 87401	Tract in S/2SE/4NE/4	.498	.15563%
Mr. & Mrs. Samuel L. Merchant 1305 E. 27th Street Farmington, NM 87401	Tract in S/2SE/4NE/4 & certain road in S/2SE/4NE/4	.650	.20312%
Heirs of Joe & Betty Musgrove (address unknown)	Road in Crest View Park Sub.	.184	.05750%
Dr. Jose P. Quintana Dr. Mary S. Moreland 822 East Main St. Farmington, NM 87401	Tract of land in the E/2W/2SW/4SE/4	.75	.23438%
Mr. & Mrs. Charles B. Robbins (address unknown)	Carlton Sub., B-4, L-3	.081	.02531%
Mr. & Mrs. L. C. Sandschulte Mr. & Mrs. Leonard E. Voight (address unknown)	Knudsen Sub., L-2	.179	.05594%
Ms. Rena N. Sherman 1016 Zuni Dr. Farmington, NM 87401	San Juan Park Sub., 3rd Extension, B-4, L-5	.158	.04938%
Mr. Virgil L. Stoabs 1831 Chilton Court Farmington, NM 87401	Carlton Sub., B-4, L-1	.097	.03031%
Mr. & Mrs. Kenard T. Stradling (address unknown)	Knudsen Sub., B-2, L-7	.179	.05594%

<u>Name</u>	<u>Description</u>	<u>Net Acres</u>	<u>E/2 Spacing % of Ownership</u>
Mr. Richard E. Wajda 1516 Zuni Dr. Farmington, NM 87401	Carlton Sub., B-3, L-18	.099	.03094%
Mr. & Mrs. Jonathon H. Webb (address unknown)	Zuni Sub., B-1, L-4	.161	.05031%
Mrs. Edna Novella Weinig 1519 Zuni Dr. Farmington, NM 87401	Zuni Sub., B-3, L-1	.164	.05123%
Mr. & Mrs. Richard R. Winters (address unknown)	Zia Sub., Part of B-5	.265	.08281%