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April 10, 1990

RECEIVED

APR 10 1990

OIL CONSERVATION DIVISION

9927

Mr. William J. LeMay
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

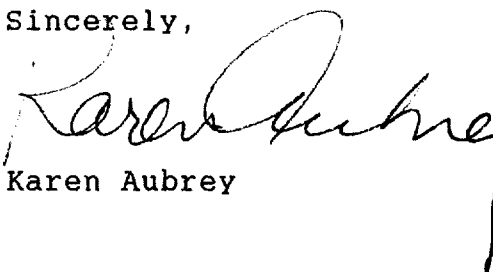
Re: Compulsory Pooling, Pacific Enterprises Oil Company
(USA) Recompletion - Mary K. Knobel No. 1

Dear Mr. LeMay:

Enclosed please find the original and one copy of an Application by Pacific Enterprises Oil Company (USA) for Compulsory Pooling, Eddy County, New Mexico. Please set this Application for hearing on the Examiner docket on May 8, 1990.

In accordance with N.M.O.C.C. Rule 1207, we are sending all working interest owners listed in this Application a copy of this letter and a copy of the enclosed Application, by certified mail, in order to notify them that they have the opportunity to appear in support of or in opposition to the enclosed Application.

Sincerely,



Karen Aubrey

KA/tic

xc: Terry Gant
Pacific Enterprises

Certified mail, return receipt

All parties listed in Paragraph 3
of Application

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

RECEIVED

APR 10 1990

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF PACIFIC ENTERPRISES OIL COMPANY (USA)
FOR COMPULSORY POOLING, EDDY COUNTY
NEW MEXICO

CASE NO.

9927

A P P L I C A T I O N

COMES NOW PACIFIC ENTERPRISES OIL COMPANY (USA),
by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY,
and in accordance with Section 70-2-17(c) N.M.S.A. (1978
Comp.) applies to the New Mexico Oil Conservation Division
for an order pooling all mineral interests from the top of
the Strawn formation, or 10,410 feet, to the bottom of the
Morrow formation, or 11,950 feet, whichever is deeper,
underlying Section 32, T22S, R27E, N.M.P.M., Eddy County,
New Mexico. The above described acreage is presently
dedicated to the Mary K. Knobel No. 1 Well which is
completed in the Morrow formation, and which was shut-in in
June 1988 and is temporarily abandoned. Said well is (5)
located 1980 feet from the South line and 1980 feet from the
East line, which will be a standard location in the proposed
recompletion zones. In support of this Application,
Applicant would show:

1. Applicant has the right drill and develop the E/2 of Section 32, T22S, R27E, Eddy County, New Mexico.

2. Applicant desires to re-enter and recomplete the Mary K. Knobel No. 1 Well in the Strawn and/or Atoka formations. Said well is at a standard location in the E/2 of said section.

3. Applicant has sought the voluntary agreement of the owners of the nonconsenting working interests, for the formation of appropriate spacing and proration units, but has been unable to obtain voluntary agreement. The nonconsenting working interest owners and their percentage interests are:

Alan J. Antweil
P.O. Box 2010
Hobbs, New Mexico 88240 and/or

Elliott Johnson, Trustee for the Alan J. Antweil
and Mary Frances Antweil, husband and wife,
Bankruptcy No. 11-86-254-MA, U.S. Bankruptcy
Court, District of New Mexico
P.O. Drawer 220
Hobbs, New Mexico 88240 and/or

Carroll Resources Corp.
P.O. Box 8438
Northfield, Illinois 60093
Attn: Mr. Martin Carroll

Total 10%

4. Pursuant to the Division's notice requirements, Applicant has notified all working interest owners of this Application for Compulsory Pooling and the Applicant's request that this matter be set for hearing before the Division on May 8, 1990.

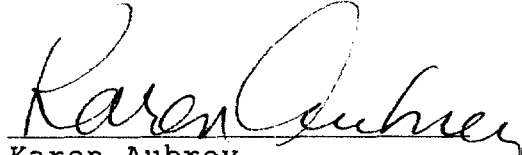
5. In order to obtain its just and equitable share of the hydrocarbons underlying the above tract(s), Applicant needs an order pooling the mineral interests involved in order to protect Applicant's correlative rights and prevent waste.

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 interests 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 cost of drilling, completing and equipping the subject well, costs of operation, including costs of supervision, and a risk factor in the amount of 200% for the drilling and completing of the well, and for such other and further relief as may be proper.

Respectfully submitted,

KELLAHIN, KELLAHIN & AUBREY

By:

A handwritten signature in cursive script, appearing to read "Karen Aubrey". The signature is written in dark ink and is positioned above the printed name.

Karen Aubrey

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Santa Fe, New Mexico 87504

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