



Santa Fe Energy Operating Partners, L.P.

**Santa Fe Pacific Exploration Company
Managing General Partner**

Certified - Return Receipt

July 30, 1990

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attn: Ms Kathy Porter

Re: P.G. Fed 4 #1
S/2 Section 4,
T-23-S, R-31-E
Eddy County, New Mexico

Gentlemen:

Enclosed is a copy of Santa Fe Energy Operating Partners, L.P.'s application to the New Mexico Oil Conservation Division for Compulsory Pooling of the captioned acreage.

Should you have any questions, please give me a call.

Sincerely,

SANTA FE ENERGY OPERATING PARTNERS, L.P.
By: Santa Fe Pacific Exploration Company,
Managing General Partner

By: *Gary Green*
Gary Green, Senior Landman

GG/pt
Enclosure

pt1960

Permian Basin District
500 W. Illinois
Suite 500
Midland, Texas 79701
915/687-3551

| | |
|---------------------------|----------------------|
| BEFORE EXAMINER CATANACH | |
| OIL CONSERVATION DIVISION | |
| <i>Santa Fe</i> | EXHIBIT NO. <u>4</u> |
| CASE NO. <u>10049</u> | |

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

RECEIVED

JUL 25 1990

APPLICATION ^{OIL} CONSERVATION DIV.
SANTA FE

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 underlying the S $\frac{1}{4}$ of Section 4, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in the S $\frac{1}{4}$ of said Section 4.

2. Applicant proposes to drill its PG Fed. 4 Well No. 1 in the S $\frac{1}{4}$ of Section 4, at an orthodox location 1980 feet from the West line and 660 feet from the South line of the Section, to a depth sufficient to test the Morrow formation (approximately 14,850 feet), and seeks to dedicate the following acreage to the well:

(a) The S $\frac{1}{4}$ of Section 4 for all pools or formations spaced on 320 acres;

(b) The SW $\frac{1}{4}$ of Section 4 for all pools or formations spaced on 160 acres;

(c) The E $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4 for all pools or formations spaced on 80 acres; and

(d) The SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4 for all pools or formations spaced on 40 acres.

3. Applicant has in good faith sought to join all other mineral or leasehold interest owners in the S $\frac{1}{4}$ of Section 4 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral or leasehold interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their acreage. Therefore, Applicant seeks an order pooling all mineral and leasehold interest owners underlying the S $\frac{1}{4}$ of Section 4, as described above, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).

5. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.

6. The pooling of all interests underlying the S $\frac{1}{4}$ of Section 4, as described above, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Applicant requests that this matter be heard at the August 22, 1990 Examiner hearing.

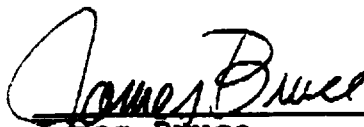
WHEREFORE, Applicant requests that the Division grant the relief requested above.

Dated: July 25, 1990.

Respectfully submitted,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By

A handwritten signature in cursive script, appearing to read "James Bruce", written over a horizontal line.

James Bruce

500 Marquette, N. W., Suite 800
Albuquerque, New Mexico 87102
(505) 768-1500

Attorneys for Applicant

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3. Article Addressed to:

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Ms Kathy Porter

4. Article Number

P 355 214 303

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6-7-81-9c

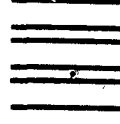
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PS Form 3811, Mar. 1988

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TO



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Gary Green, Santa Fe Energy Operating
Partners., L.P.

P.G. Fed 4 #1

500 West Illinois, Suite 500

Midland, Texas 79701