

dedicating their interests. Therefore, Applicant seeks an order pooling all mineral interest owners in the SE¼SE¼ of Section 27, pursuant to N.M. Stat. Ann. § 70-2-17 (1995 Repl. Pam.).

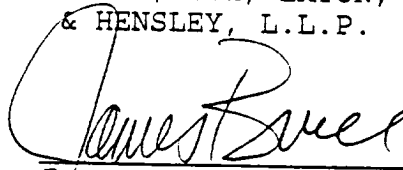
5. Applicant requests the Division to consider the cost of drilling the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated the operator of the well, and that the Division set a penalty for the risk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

6. The pooling of all mineral interests underlying the SE¼SE¼ of Section 27, and the granting of the unorthodox well location, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

Respectfully submitted,

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PROPOSED ADVERTISEMENT

Case \_\_\_\_\_: Application of Santa Fe Energy Resources, Inc. for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Devonian formation underlying the SE~~¼~~SE~~¼~~ of Section 27, Township 15 South, Range 34 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within said vertical extent. Said unit is to be dedicated to applicant's Grassland "27" Well No. 1, to be drilled at an unorthodox oil well location 1243 feet from the South line and 353 feet from the East line of said Section 27. Also to be considered will be the cost of drilling said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and the well. Said unit is located approximately \_\_\_\_\_ miles \_\_\_\_\_ of \_\_\_\_\_, New Mexico.