



OIL CONSERVATION DIVISION
RECEIVED

MIDLAND PARTNERS
CARLTON BEAL
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL

BTA OIL PRODUCERS
104 SOUTH PECOS
MIDLAND, TEXAS 79701
AC 915-682-3753

ROCKY MOUNTAIN DIVISION
555 17TH STREET
SUITE 835
DENVER, CO 80202
AC 303-292-9299

DENVER PARTNER
BARRY BEAL, JR.

September 6, 1990

RE: Application for Unorthodox Location
BTA - French, 9004 JV-P, Well No. 1
Corbin Wolfcamp, South
990' FSL & 990' FEL
Sec. 24, T18S, R32E
Lea County, New Mexico

STATE OF NEW MEXICO
Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: Mr. Michael Stogner

Gentlemen:

BTA hereby requests administrative approval to complete the above referenced well in the Corbin Wolfcamp, South field.

Field Rules by Order No. R-8181-B require 80 acre spacing and wells located within 150' of the center of a quarter-quarter section. BTA received approval to drill a non-standard gas well location by administrative Order NSL-2784.

We are, this date, notifying all offset operators by certified mail and requesting waivers of objection. We will forward our proof of notification and/or waivers as soon as possible.

Please advise should further information be required to grant this application.

Sincerely,

DOROTHY HOUGHTON
For BTA Oil Producers

DH/pdi

xc: OCD - Hobbs

Attachments: 3160-3
C-102
Maps



MIDLAND PARTNERS
CARLTON BEAL
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL

DENVER PARTNER
BARRY BEAL, JR.

(BTA OIL PRODUCERS)

104 SOUTH PECOS
MIDLAND, TEXAS 79701
AC 915-682-3753

OIL CONSERVATION DIVISION
REC-150

90 SEP 20 AM 8:11
ROCKY MOUNTAIN DIVISION
555-17TH STREET
SUITE 835
DENVER, CO 80202
AC 303-292-9299

September 18, 1990

RE: Application for Unorthodox Location
BTA - French, 9004 JV-P, Well No. 1
Corbin Wolfcamp, South
990' FSL & 990' FEL
Sec. 24, T18S, R32E
Lea County, New Mexico

STATE OF NEW MEXICO
Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: Mr. Michael Stogner

Mr. Stogner:

Attached please find two signed waivers and all copies of return receipts for the above referenced application dated September 6, 1990.

Please advise, should further information be necessary to grant this permit.

Sincerely,


DOROTHY HOUGHTON
For BTA Oil Producers

DH/pdi

Attachments

RE: Application for Unorthodox Location
BTA - French, 9004 JV-P, Well No. 1
Corbin Wolfcamp, South
990' FSL & 990' FEL
Sec. 24, T18S, R32E
Lea County, New Mexico

STATE OF NEW MEXICO
Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: Mr. Michael Stogner

Gentlemen:

We have been advised by BTA of their application for an unorthodox location for the above referenced well. We hereby waive objection to this application.

L. R. FRENCH, JR.
Offset Operator

By: 

Date: 9/7/90

RE: Application for Unorthodox Location
BTA - French, 9004 JV-P, Well No. 1
Corbin Wolfcamp, South
990' FSL & 990' FEL
Sec. 24, T18S, R32E
Lea County, New Mexico

STATE OF NEW MEXICO
Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: Mr. Michael Stogner

Gentlemen:

We have been advised by BTA of their application for an unorthodox location for the above referenced well. We hereby waive objection to this application.

MEWBOURNE OIL CO.
Offset Operator

By: 
Gary L. Winter, Dist. Expl. Mgr.

Date: September 10, 1990

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☐ Show to whom, date and address of delivery.

2. ☐ Restricted Delivery.

3. Article Addressed to:
Southland Royalty Company
21 Desta Drive
Midland, Texas 79705
Attn: Mr. Don Davis

4. Type of Service: Article Number
☐ Registered ☐ Insured
☒ Certified ☐ COD P 143 451 794
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
X *[Signature]*

6. Signature - Agent
X

7. Date of Delivery
9-7-90

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983 447-845

reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☐ Show to whom, date and address of delivery.

2. ☐ Restricted Delivery.

3. Article Addressed to:
L. R. French, Jr.
P. O. Box 11327
Midland, Texas 79702
Attn: Mr. Royce Fort

4. Type of Service: Article Number
☐ Registered ☐ Insured
☒ Certified ☐ COD P 143 451 792
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
X

6. Signature - Agent
X *[Signature]*

7. Date of Delivery
SEP - 7 1990

8. Addressee's Address (ONLY if requested and fee paid)

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PS Form 3811, July 1983 447-845

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1. ☐ Show to whom, date and address of delivery.

2. ☐ Restricted Delivery.

3. Article Addressed to:
Mewbourne Oil Co.
500 W. Texas, Suite 1020
Midland, Texas 79701
Attn: Mr. Paul D. Haden

4. Type of Service: Article Number
☐ Registered ☐ Insured
☒ Certified ☐ COD P 143 451 793
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
X *[Signature]*

6. Signature - Agent
X

7. Date of Delivery
9-7

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983 447-845

reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☐ Show to whom, date and address of delivery.

2. ☐ Restricted Delivery.

3. Article Addressed to:
Enron Oil & Gas Co.
P. O. Box 2267
Midland, Texas 79702
Attn: Mr. Frank Estep

4. Type of Service: Article Number
☐ Registered ☐ Insured
☒ Certified ☐ COD P 143 451 791
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
[Signature]

6. Signature - Agent
X

7. Date of Delivery
SEP 7 1990

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983 447-845

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1. ☐ Show to whom, date and address of delivery.

2. ☐ Restricted Delivery.

3. Article Addressed to:
Mobil Producing Texas & NM, Inc.
P. O. Box 633
Midland, Texas 79702
Attn: Mark A. Haralson

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	P 143 451 790

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
X

6. Signature - Agent
X *Beverly Sanchez*

7. Date of Delivery
SEP 10 1990

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983 447-845

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1. ☐ Show to whom, date and address of delivery.

2. ☐ Restricted Delivery.

3. Article Addressed to:
Robert N. Enfield
P. O. Box 2431
Santa Fe, New Mexico 87804-2431

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	P 143 451 795

Always obtain signature of addressee or agent and **DATE DELIVERED.**

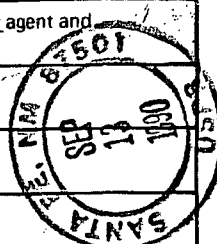
5. Signature - Addressee
X *[Signature]*

6. Signature - Agent
X *[Signature]*

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☐

DEEPEN ☐

PLUG BACK ☒

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

BTA Oil Producers

3. ADDRESS OF OPERATOR

104 South Pecos, Midland, TX 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

990' FSL & 990' FEL

At proposed prod. zone

SE/SE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

11 miles South from Maljamar

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drilg. unit line, if any)

990

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

None

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

19. PROPOSED DEPTH

13588 TD, 11075 PB

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3786' GR 3803 RKB

22. APPROX. DATE WORK WILL START*

8-27-90

23.

Existing ~~PROPOSED~~ CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	54.5	400	450 sx - Surface
12-1/4	9-5/8	40	4500	2300 sx - Surface
8-3/4	5-1/2	20	13588	3550 sx - Surface
			DV @ 7989	

Set CIBP @ 12,500' & Cap w/35' cmt

Perf 11,115'-152 w/2 spf

Set CIBP @ 11,090' & Cap w/15' cmt

Perf 10,992-11,024'

4. Unorthodox Location

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Dorothy Houghton
Dorothy Houghton

TITLE Regulatory Administrator

DATE

08-29-90

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department.

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator BTA OIL PRODUCERS			Lease 9004 JV-P FRENCH		Well No. 1
Unit Letter "P"	Section 24	Township -18-S	Range -32-E	County LEA	
Actual Footage Location of Well: 990 feet from the SOUTH line and 990 feet from the EAST line					
Ground level Elev. 2996	Producing Formation Wolfcamp		Pool CORBIN SOUTH		Dedicated Acreage: 80 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name

Dorothy Houghton

Position

Regulatory Administrator

Company

BTA Oil Producers

Date

08-29-90

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

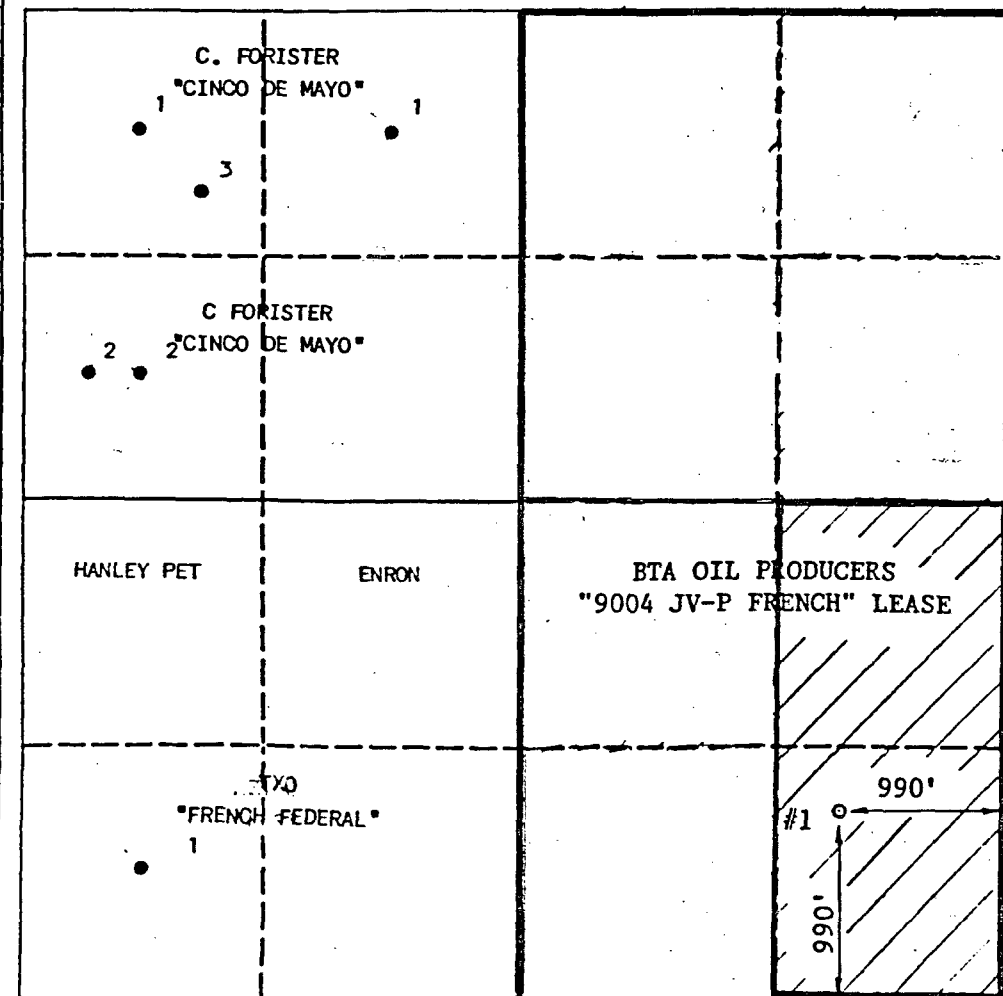
MARCH 28, 1990

Signature & Seal of
Professional Surveyor

MAX A. SCHUMANN, JR.

Certificate No.

1510



BTA OIL PRODUCERS

Offset Operators

French, 9004 JV-P
Well No. 1
E/2 Sec. 24, T18S, R32E
Lea County, New Mexico

Mobil Producing
Texas & New Mexico, Inc.
P. O. Box 633
Midland, Texas 79702
Attn: Mark A. Haralson

NW/4, Sec. 24

Enron Oil & Gas Co.
P. O. Box 2267
Midland, Texas 79702
Attn: Mr. Frank Estep

NE/4, SW/4, Sec. 24
SE/4, SE/4, Sec. 13

L. R. French, Jr.
P. O. Box 11327
Midland, Texas 79702
Attn: Mr. Royce Fort

SE/4, SW/4, Sec. 24
NW/4, Sec. 25
W/2, NE/4, Sec. 25
E/2, NE/4, Sec. 25

Mewbourne Oil Co.
500 W. Texas, Suite 1020
Midland, Texas 79701
Attn: Mr. Paul D. Haden

SW/4, SE/4 &
S/2, SW/4, Sec. 13

Southland Royalty Co.
21 Desta Drive
Midland, Texas 79705
Attn: Mr. Don Davis

SW/4, Sec. 18

Robert N. Enfield
P. O. Box 2431
Santa Fe, New Mexico 87804-2431

NW/4 Sec. 19
SW/4 Sec. 19
SW/4 Sec. 30

Santa Fe
Ener. et al
HBP
40452
Fed.
El Paso
Nat.
5-1-89
36424
U.S. 40452

Amoco 9-1-84
22085
Yates
Fed.
TD 250
U.S.

Santa Fe Ener.
et al
HBP
40492
U.S.

So. Roy.
16 W. Corbin
Fed.
U.S.

Santa Fe Ener. et al
HBP
40452
Fed.
U.S. M.I.
Williams
& Son Cattle Co.
Marshall
Winston
HBP
40452
Fed.
17807
U.S. 17807
Caryl.
Herschele
Corviness.

Santa Fe Ener. et al
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U.S. 40452
Fed.
TD 3430
Buffalo
Fed.
"Shinnery-Fed"
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Amoco
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et al
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TD 3430
Buffalo
Fed.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBBS DISTRICT OFFICE

9-10-90

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC _____
NSL X _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

BTA Oil Producers French 9004 VP Com #1-P 24-18-32
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed

**(ALSTON RANCH-UPPER PENNSYLVANIAN POOL -
Cont'd.)**

RULE 3. The Director of the Division may grant an exception to the requirements of Rule 2 without hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Director has received the application.

RULE 4. Each well drilled in the Alston Ranch-Upper Pennsylvanian Pool shall be located within 150 feet of the center of a governmental quarter-quarter section.

RULE 5. The Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the Alston Ranch-Upper Pennsylvanian Pool shall be assigned an 80-acre depth bracket allowable of 400 barrels for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Alston Ranch-Upper Pennsylvanian Pool as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED THAT:

(4) The locations of all wells, with the exception of said Elkan "A" Well No. 1, presently drilling to or completed in the Alston Ranch-Upper Pennsylvanian Pool or in any formation from the base of the Wolfcamp formation to the top of the Canyon formation within one mile thereof, and not nearer to or within the limits of another designated Upper Pennsylvanian Pool, are hereby approved; the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well on or before July 1, 1986.

(5) Pursuant to Paragraph A. of Section 70-2-18, NMSA 1978, existing wells in the Alston Ranch-Upper Pennsylvanian Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 80 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the Alston Ranch-Upper Pennsylvanian Pool or in its corresponding vertical limits as described in Ordering Paragraph No. (1), above, or within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(6) This case shall be reopened at an examiner hearing in May 1988, at which time the operators in the subject pool may appear and show cause why the Alston Ranch-Upper Pennsylvanian Pool should not be developed on 40-acre spacing units.

(7) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

**SOUTH CORBIN-WOLFCAMP POOL
Lea County, New Mexico**

Order No. R-8181-B, Adopting Temporary Operating Rules for the South Corbin-Wolfcamp Pool, Lea County, New Mexico, May 20, 1986.

Application of Southland Royalty Company
for Special Pool Rules, Lea County, New
Mexico.

**CASE NO. 8802 DE NOVO
Order No. R-8181-B**

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. at Santa Fe, New Mexico, on April 9, 1986, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 20th day of May, 1986, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(SOUTH CORBIN-WOLFCAMP POOL - Cont'd.)

(2) The applicant, Southland Royalty Company, seeks the promulgation of special pool rules for the South Corbin-Wolfcamp Pool, Lea County, New Mexico, including a provision for 80-acre spacing units.

(3) By Order No. R-3342, effective December 1, 1967, the Commission created the South Corbin-Wolfcamp Pool as a result of the completion of the Aztec Oil and Gas Company Federal "MA" Well No. 2 located in Unit I of Section 21, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico.

(4) Although the development of said pool has resulted in wells being drilled on what constitutes an 80-acre spacing pattern, it has remained since its creation governed by general statewide 40-acre spacing units.

(5) Geological and engineering evidence presented at the hearing showed that wells in the South Corbin-Wolfcamp Pool may be capable of draining 80-acre spacing units.

(6) Evidence and testimony at the hearing demonstrated that drilling wells in the South Corbin-Wolfcamp Pool on 40-acre spacing is uneconomical at the present time and may result in the drilling of unnecessary wells.

(7) Adoption of temporary special pool rules including provisions for 80-acre spacing would encourage continued drilling of South Corbin-Wolfcamp Pool wells, thereby producing oil which might not otherwise be produced, thereby preventing waste.

(8) In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 80-acre spacing units should be promulgated for the South Corbin-Wolfcamp Pool as previously defined and described.

(9) The temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(10) The temporary special rules and regulations should be established for an 18-month period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(11) Unless called earlier, this case should be reopened at an Oil Conservation Division examiner hearing in October, 1987, at which time the operators in the subject pool should be prepared to appear and show cause why the South Corbin-Wolfcamp Pool should not be developed on 40-acre spacing units.

IT IS THEREFORE ORDERED THAT:

(1) Temporary Special Rules and Regulations for the South Corbin-Wolfcamp Pool, Lea County, New Mexico, as previously defined and described, are hereby promulgated as follows:

TEMPORARY SPECIAL RULES AND REGULATIONS FOR THE SOUTH CORBIN-WOLFCAMP POOL

RULE 1. Each well completed or recompleted in the South Corbin-Wolfcamp Pool or in the Wolfcamp formation within one mile thereof, and not nearer to or within the limits of another designated Wolfcamp oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2 or W/2 of a governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Director of the Oil Conservation Division, hereinafter referred to as the "Division", may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a nonstandard unit comprising a governmental quarter-quarter section or lot, or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Director has received the application.

RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

RULE 5. The Division Director may grant an exception to the requirements of Rule 4 without hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished.

The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) shall be subject to an 80-acre depth bracket allowable of 445 barrels of oil per day. The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED THAT:

(1) The locations of all wells presently drilling to or completed in the South Corbin-Wolfcamp Pool or in the Wolfcamp formation within one mile thereof are hereby approved; the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well on or before July 1, 1986.

(2) Pursuant to Paragraph A. of Section 70-2-18, NMSA (1978), contained in Chapter 271, Laws of 1969, existing wells in the South Corbin-Wolfcamp Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or pursuant to Paragraph C. of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 80 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the South Corbin-Wolfcamp Pool or in the Wolfcamp formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(SOUTH CORBIN-WOLFCAMP POOL - Cont'd.)

(3) Unless called earlier upon the motion of the Division, the case shall be reopened at an examiner hearing in October, 1987, at which time the operators in the subject pool should be prepared to appear and show cause why the South Corbin-Wolfcamp Pool should not be developed on 40-acre spacing units.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

NORTHEAST OJITO GALLUP-DAKOTA POOL
Rio Arriba County, New Mexico

Order No. R-8188-A, Creating and Adopting Temporary Operating Rules for the Northeast Ojito Gallup-Dakota Pool, Rio Arriba County, New Mexico, June 1, 1986, as Amended by Order No. R-8188-B, December 1, 1987.

Application of Amoco Production Company, for Pool Creation and Special Pool Rules, Rio Arriba County, New Mexico.

CASE NO. 8822 De Novo
Order No. R-8188-A

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on May 20, 1986, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 27th day of June, 1986, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Amoco Production Company, seeks an order deleting a portion of the Ojito Gallup-Dakota Oil Pool and creating the Northeast Ojito Gallup-Dakota Oil Pool with special pool rules including a provision for 160-acre spacing, Rio Arriba County, New Mexico.

(3) Notice was given to all interested parties to appear and participate in the hearing.

(4) Of those parties notified, Minel Inc. and Union Texas Petroleum Corporation appeared in opposition to the applicant.

(5) The applicant presented geologic and engineering evidence to demonstrate that the Gallup formation in the proposed new pool area was in fact in the same common source of supply with the Ojito Gallup-Dakota Oil Pool, but has producing characteristics sufficiently different to require the creation of such new pool.

(6) Certain of the Amoco wells in the proposed new pool area have high initial potential rates and sustained high production over a six (6) month period that indicate that the production of those wells is enhanced by natural fracturing.

(7) At the conclusion of the applicant's presentation and prior to the opponent's presentation, the parties to the hearing entered into an agreement acceptable to the Commission concerning this case.

(8) By agreement of the parties to the hearing, and in order to obtain additional data and to preserve the status quo during the temporary period, the creation of a special pool with 160-acre spacing on a temporary basis of 24 months protects the correlative rights of the interest owners involved.

(9) Applicant's evidence and testimony at the hearing demonstrated that drilling wells in the proposed Northeast Ojito Gallup-Dakota Oil Pool on 40-acre spacing is uneconomical at the present time and may result in the drilling of unnecessary wells.

(10) Applicant's engineering evidence presented at the hearing tended to demonstrate that certain wells in the proposed Northeast Ojito Gallup-Dakota Oil Pool are capable of effectively and efficiently draining 160-acre spacing units. However, such evidence is not conclusive and the development of appropriate spacing for this pool will require further study and development of factual and technical data.

(11) Adoption of temporary special pool rules including provisions for 160-acre spacing would encourage continued drilling in said proposed pool, thereby producing oil which might not otherwise be produced, thereby preventing waste.

(12) In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 160-acre spacing units should be promulgated for the proposed Northeast Ojito Gallup-Dakota Oil Pool.

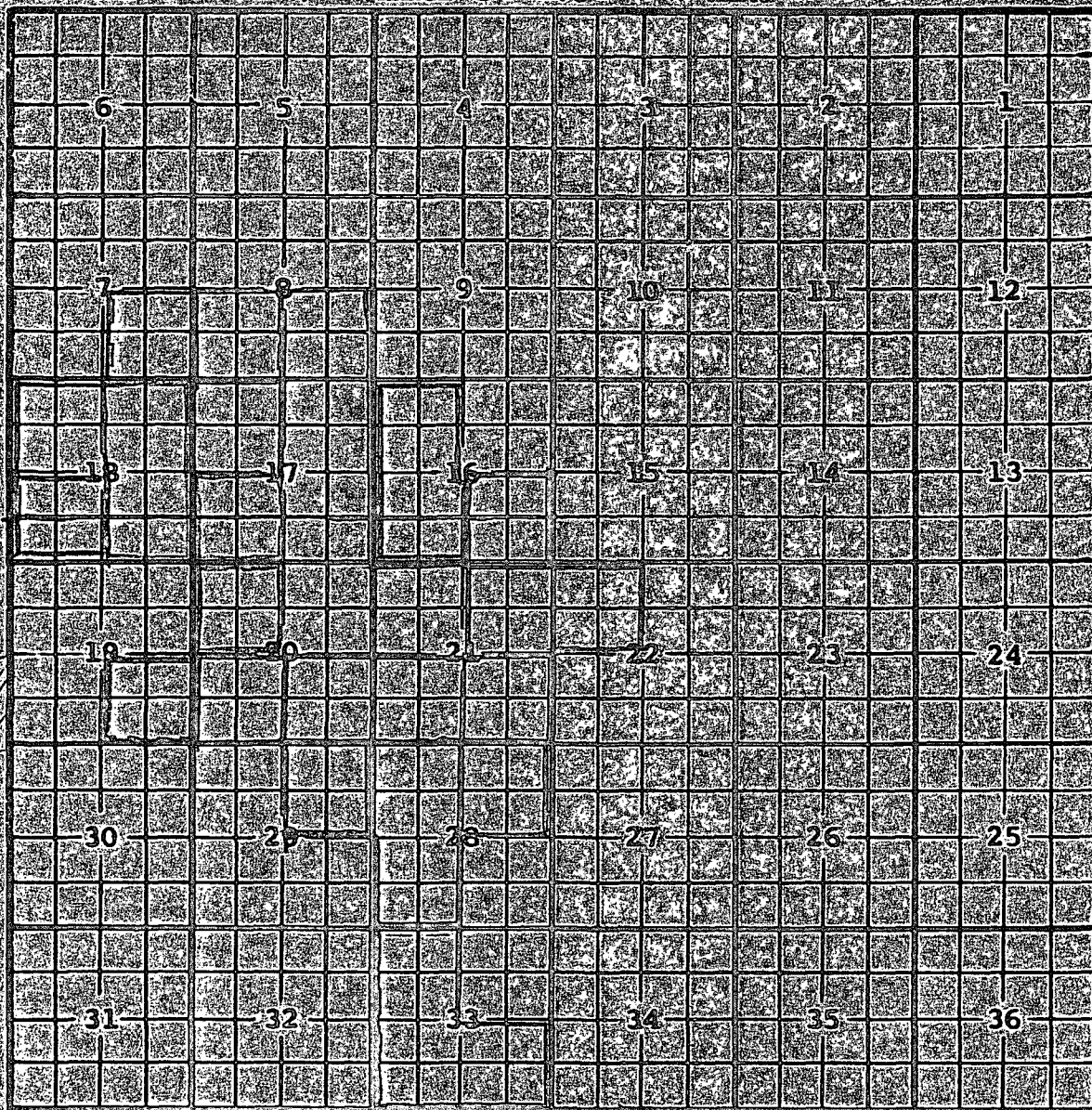
(13) The temporary special rules should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(14) The temporary special rules should be established for a 24-month period in order to allow the operators in the subject pool to gather reservoir information to establish whether the temporary rules should be made permanent.

(15) This case should be reopened at an Oil Conservation Division examiner hearing in June, 1988, at which time the operators in the subject pool should be prepared to appear and show cause why the Northeast Ojito Gallup-Dakota Oil Pool should not be developed on 40-acre spacing units.

COUNTY *Lea*POOL *South Corbin - Walkecamp*TOWNSHIP *18 South*RANGE *33 East*

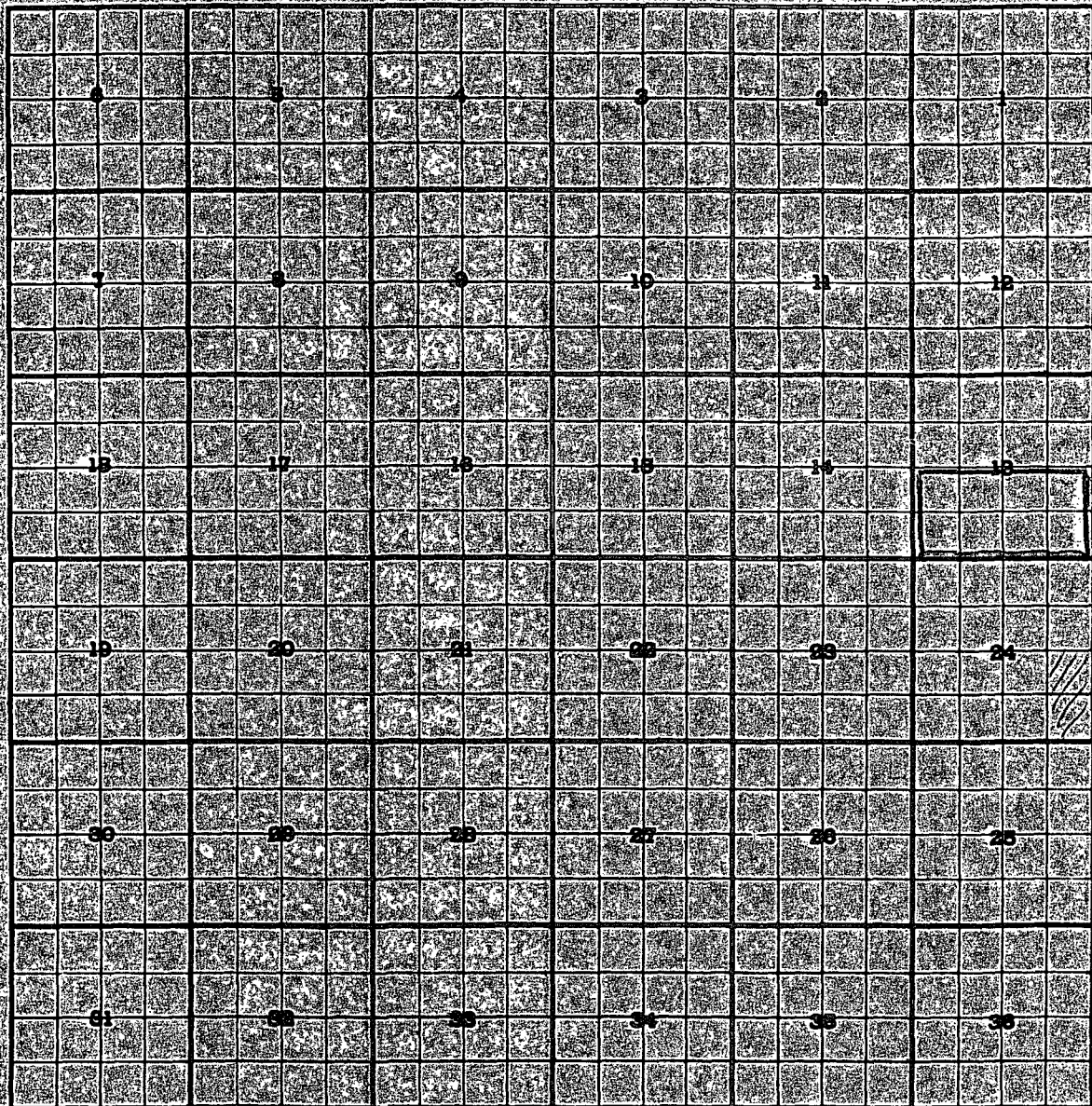
NUTR

Description: *SE 1/4 Sec. 21 (R-3342, 12-1-67)*Ext: *SE 1/4 Sec. 20; SW 1/4 Sec. 21 (L-3367, 2-1-68) NE 1/4 Sec. 22 (R-3438, 7-1-68)*Ext: *SW 1/4 Sec. 20 (A-5987, 4-1-79) Ext: 1/2 Sec. 20 (R-6260, 7-1-80)*Ext: *1/2 and 3/4 Sec. 33 (R-6657, 4-20-81)*Ext: *Sec. 17 SW 1/4, 18 E 1/2, 20 NW 1/4 (R-7114, 10-1-82)*Ext: *NW 1/4 Sec. 17 (R-8075, 11-9-85) Ext: NE 1/4 Sec. 21, NW 1/4 Sec. 22 (R-8340, 11-3-86)*Ext: *SE 1/4 Sec. 16 (R-8461, 6-25-87) Ext: 3/4 Sec. 8 (R-8668, 9-10-88)*Ext: *W 1/2 Sec. 16, SW 1/4 Sec. 18 (R-8696, 7-22-88) Ext: SE 1/4 Sec. 8, E 1/2 Sec. 17*Ext: *NE 1/4 Sec. 20, NW 1/4 Sec. 21 (R-8901, 4-1-89) Ext: SE 1/4 Sec. 19 (R-9095, 1-1-90)*Ext: *SE 1/4 Sec. 7, NW 1/4 Sec. 18 (R-9120, 3-1-90)*Ext: *N 1/4 Sec. 28 (R-9271, 8-28-90)*

County Lea

Pool South Corbin - Wolfcamp

TOWNSHIP 18 South RANGE 32 East NEW MEXICO PRINCIPAL MERIDIAN



EXT. 9/2 SEC. 13 (R-8696 7/22/88)