

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF AMERADA HESS CORPORATION FOR
POOL CREATION, SPECIAL POOL RULES
AND AN UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 11269

APPLICATION

COMES NOW AMERADA HESS CORPORATION, through its undersigned attorneys, and hereby makes application to the Oil Conservation Division for an order (1) designating a new pool as a result of discovery of hydrocarbons in the Ellenberger formation in its North Bell Lake Unit Well No. 2 located 1100 feet from the South line and 1500 feet from the West line in Unit N of Section 5, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico, (2) promulgating special rules and regulations for this pool, including (a) 640-acre spacing or proration units; (b) the dedication of all of said Section 5 to the North Bell Lake Unit Well No. 2, and (c) special well location requirements, and in support of this application states:

1. Applicant has recently completed its North Bell Lake Unit Well No. 2 in the Ellenberger formation, capable of producing oil and gas in paying quantities located 1100 feet from the South line and 1500 feet from the West line of Section 5, Township 23 South, Range 34 East, Lea County, New Mexico. Said well is producing at rates which indicate that

it can effectively drain 640-acres in the Ellenberger formation.

2. Applicant believes that the following described lands are reasonably proven to be productive of oil and gas in paying quantities from the Ellenberger formation and should be included in the original definition of the pool to be created because of this discovery:

Township 23 South, Range 34 East, N.M.P.M.

Section ~~12~~₅: All

3. 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 and otherwise prevent waste and protect correlative rights, special rules and regulations providing for 640-acre spacing units should be promulgated on a temporary basis for the new pool.

4. Applicant respectfully requests that the special pool rules provide that each well should be located on a standard unit containing 640-acres, more or less, consisting of a governmental section and that each well shall be located no nearer than 1650 feet to the outer boundary of the spacing unit and no nearer than 330 feet to any governmental quarter-quarter section line.

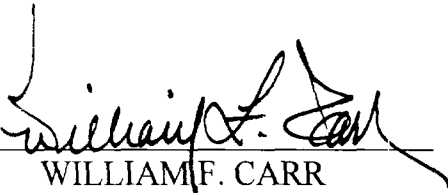
5. Applicant also requests that the location of the North Bell Lake Unit Well No. 2 be approved as an unorthodox location in this new pool and that an administrative procedure be established for the approval of additional unorthodox well locations within this

pool.

WHEREFORE, Amerada Hess Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation on April 20, 1995, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully submitted,

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