

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

RECEIVED

AUG 22 1996

Oil Conservation Division

APPLICATION OF FASKEN OIL AND RANCH, LTD.
FOR THE CREATION OF A NEW POOL FOR
DEVONIAN FORMATION PRODUCTION INCLUDING
THE ADOPTION OF SPECIAL RULES,
LEA COUNTY, NEW MEXICO.

CASE NO. 11612

A P P L I C A T I O N

Comes now Fasken Oil and Ranch, Ltd. ("Fasken") by its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation for the creation of a new oil pool to be designated the Mustang-Devonian Pool for production from the Devonian formation with the promulgation of Special Pool Rules and Regulations for the pool including 80-acre oil spacing and proration units with the assignment of a discovery allowable for the discovery well being its Grande Well No. 1 located 990 feet from the South line and 768 feet from the West line (Unit M) of Section 3, Township 13 South, Range 38 East, NMPM, with the W/2SW/4 of said Section 3 to be dedicated to the subject well.

and in support thereof states:

1. Fasken has drilled and is completed and now operates its Grande Well No. 1, located 990 feet from the South line and 768 feet from the West line (Unit M) of Section 3, Township 13 South, Range 38 East, NMPM, Lea County, New Mexico. See Exhibit "A" attached.

2. This well constitutes a "new oil discovery" for the production of oil from the Devonian formation.

3. The nearest Devonian oil production is within one mile to the southeast in the Bronco-Siluro-Devonian Pool

4. Based upon this discovery, Fasken seeks the creation of a new pool to be designated the Mustang-Devonian Pool which shall be defined as all of the Devonian formation as identified on the log of the discovery well, the top of which is located at approximately 12,180 feet and the bottom of which is located approximately 12,366 feet with an initial pool boundary consisting of:

TOWNSHIP 13 SOUTH, RANGE 38 EAST
Section 3: W/2SW/4

5. In addition, Fasken requests the adoption of the following Special Rules and Regulations for this pool:

- (a) 80-acre oil spacing and proration units;
- (b) with no more than one producing well for each 80-acre spacing or proration unit;
- (c) well locations within 150 feet of the center of a governmental quarter-quarter section;
- (d) a special limiting gas oil ratio of 2,000 cubic feet of gas per barrel of oil;
- (e) a special depth bracket maximum oil allowable of 490 barrels of oil per day per oil spacing unit; and
- (f) that each well completed or recompleted in the Mustang-Devonian Pool or the


Devonian formation within one mile thereof, shall be spaced, drilled operated and produced in accordance with these special rules.

6. Based upon data from the discovery well, the initial rules for the pool should provide for 80-acre oil proration and spacing units combined with the limit of no more than one well per unit to prevent the drilling of unnecessary wells and to protect correlative rights and provide for the orderly development of the reservoir.

7. Notification of this application and request for hearing to be held on September 19, 1996 has been sent to all affected parties.

Wherefore, Applicant's request that, after notice and hearing, this application be granted.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', with a stylized flourish at the end.

W. Thomas Kellahin
Kellahin & Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87501

RECEIVED

AUG 22 1996

Oil Conservation Division

PROPOSED ADVERTISEMENT

CASE 11612 Application of Fasken Oil and Ranch, Ltd. for creation of a new oil pool with special rules, Lea County, New Mexico. Applicant, in the above styled cause, seeks an order creating a new oil pool to be designated the Mustang-Devonian Pool for production from the Devonian formation with the promulgation of Special Pool Rules and Regulations for the pool including 80-acre oil spacing and proration units and the assignment of a discovery allowable for the discovery well being its Grande Well No. 1 located 990 feet from the South line and 768 feet from the West line (Unit M) of Section 3, Township 13 South, Range 38 East, NMPM, with the W/2SW/4 of said Section 3 to be dedicated to the subject well. Said pool is located in the approximately 13 miles east from Tatum, New Mexico.