

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF OCEAN ENERGY RESOURCES,
INC. FOR POOL CREATION AND SPECIAL POOL
RULES, POOL CONTRACTION, AND CANCELLATION
OF OVERPRODUCTION, LEA COUNTY, NEW MEXICO.

No. 12401

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APPLICATION

Ocean Energy Resources, Inc. applies for creation of and special pool rules for the East Townsend-Strawn Pool, contraction of the horizontal boundaries of the South Big-Dog Strawn Pool, and cancellation of overproduction, and in support thereof, states:

1. Applicant is operator of the Townsend State Well No. 5, located 330 feet from the South line and 1520 feet from the East line (Unit W) of irregular Section 2, Township 16 South, Range 35 East, N.M.P.M.¹ The S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 2 is dedicated to the well.

2. The Townsend State Well No. 5 is completed in and producing from the Strawn formation, and is currently within the South Big-Strawn Pool. The South Big Dog-Strawn Pool was created by Division Order No. R-9722-C, and covers the following lands:

Township 15 South, Range 35 East, N.M.P.M.

Section 32: W $\frac{1}{2}$ SE $\frac{1}{4}$

Township 16 South, Range 35 East, N.M.P.M.

Section 1: Lots 11-14

Section 2: Lots 2-16, SE $\frac{1}{4}$

Section 3: Lots 9, 10, 15, 16, SE $\frac{1}{4}$

Section 11: NE $\frac{1}{4}$

Section 12: NW $\frac{1}{4}$

3. Although the Townsend State Well No. 5 is within the South Big Dog-Strawn Pool, it is producing from a separate source of supply than other wells completed in the pool. As a result,

¹The well is at an unorthodox location approved by Division Administrative Order NSL-3870-A.

applicant requests the formation of a new Strawn pool, designated the East Townsend-Strawn Pool, initially comprised of the S½SE¼ of Section 2, the NE¼ of Section 11, and the NW¼ of Section 12, Township 16 South, Range 35 East, N.M.P.M. The South Big Dog-Strawn Pool should be contracted by deleting said acreage from that pool.

4. Applicant requests promulgation of special pool rules for the proposed East Townsend-Strawn Pool, including:

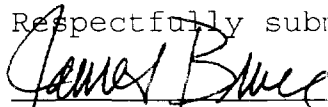
- (a) 80 acre spacing;
- (b) orthodox well locations no closer than 330 feet to a quarter section line and no closer than 1020 feet to another well in the pool;
- (c) a special depth bracket allowable of 750 barrels of oil per day; and
- (d) a gas:oil ratio of 6000 cubic feet of gas for each barrel of oil produced.

5. Applicant requests that any overproduction from wells in the proposed East Townsend-Strawn Pool be canceled.

6. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the relief requested above be granted.

Respectfully submitted,



James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Ocean Energy Resources,
Inc.