

**JAMES BRUCE**

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OIL CONSERVATION DIV.

00 JUN 20 AM 7:34

June 20, 2000

Hand Delivered

12450

Florene Davidson  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Ocean Energy Resources, Inc., are an original and one copy of an application for a non-standard spacing and proration unit, and a proposed advertisement. Please set this matter for the July 13, 2000 Examiner hearing. Thank you.

The application and proposed advertisement are also on the enclosed disk under "OEI."

Very truly yours,



James Bruce

Attorney for Ocean Energy  
Resources, Inc.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

OIL CONSERVATION DIV.  
00 JUN 20 AM 7:34

APPLICATION OF OCEAN ENERGY RESOURCES,  
INC. FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT, LEA COUNTY, NEW MEXICO.

No. 12450

APPLICATION

Ocean Energy Resources, Inc. applies for approval of a non-standard oil spacing and proration unit in the Strawn formation comprised of the NW $\frac{1}{4}$ SE $\frac{1}{4}$  of irregular Section 2, Township 16 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is the working interest owner in the NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 2, and proposes to drill its Townsend "2" State Well No. 11, at a location 1800 feet from the south line and 1650 feet from the east line of the section, to a depth sufficient to test the Strawn formation (South Big Dog-Strawn Pool). The subject pool is spaced on 80 acres.

2. The south two-thirds of irregular section 2 contains the following Strawn oil well units:

<u>Well</u>	<u>Unit</u>
Field APK State Com. No. 1	Lots 10 and 15
Field APK State Com. No. 2	Lots 8 and 9
Townsend State No. 1	Lot 16 and NE $\frac{1}{4}$ SE $\frac{1}{4}$
Townsend "2" State No. 5	S $\frac{1}{2}$ SE $\frac{1}{4}$

The non-standard units for the Field APK State Com. Well No. 2 and Townsend State Well No. 1 were approved by Division Order No. R-10803.

3. As a result of the above well units, an 80 acre well unit cannot be formed for the proposed well, and a non-standard unit comprised of the NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 2 should be approved.

4. The granting of this application will prevent waste and protect correlative rights.

**WHEREFORE**, Applicant requests that the Division enter its order approving the non-standard oil spacing and proration unit requested herein.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce  
Post Office Box 1056  
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(505) 982-2043

Attorney for Ocean Energy Resources,  
Inc.