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December 17, 1991

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OIL CONSERVATION DIVISION

Case 16434

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Hal J. Rasmussen Operating, Inc. for
Special Pool Rules, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Hal J. Rasmussen Operating, Inc. in the above-referenced case. Hal J. Rasmussen Operating, Inc. respectfully requests that this matter be placed on the docket for the January 9, 1992 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: Mr. Wm. Scott Ramsey
Hal J. Rasmussen Operating, Inc.
Six Desta Drive, Suite 2700
Midland, TX 79705

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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IN THE MATTER OF THE APPLICATION
OF HAL J. RASMUSSEN OPERATING, INC.
FOR SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.

OIL CONSERVATION DIVISION

CASE NO. 410434

APPLICATION

COMES NOW HAL J. RASMUSSEN OPERATING, INC., by and through their undersigned attorneys, hereby makes application to the Oil Conservation Division for the promulgation of Special Pool Rules and Regulations for the Wilson Yates-Seven Rivers Oil Pool including (1) 160-acre gas spacing units, (2) 40-acre oil spacing or proration units, (3) a 10,000 to 1 gas-oil ratio and (4) provisions for administrative approval by the District Supervisor of nonstandard spacing or proration units and in support of this application states:

1. The Wilson Yates-Seven Rivers Oil Pool was created in January 1950 by Division Order No. 850 and has been extended from time to time and now includes the following acreage in Lea County, New Mexico:

Township 21 South, Range 34 East, N.M.P.M.

Section 12:	E/2
Section 13:	All
Section 14:	E/2
Sections 23 and 24:	All
Section 25:	W/2 NW/4, SW/4, W/2 SE/4
Section 26:	N/2

Township 21 South, Range 35 East, N.M.P.M.

Section 6: SE/4
Section 7: All
Section 8: NW/4
Section 18: NW/4

2. Applicant owns a majority of the working interest in this pool and operates wells which produce therefrom.

3. Although this field is classified as an oil pool, the wells which currently produce therefrom are gas wells and the production from these wells is substantially restricted by the current pool oil allowables by Division definition.

4. Applicant seeks the promulgation of Special Pool Rules which would provide for 160-acre gas well spacing, 40-acre oil well spacing and a gas-oil ratio of 10,000 to 1.

5. Applicant also seeks the establishment of an administrative procedure whereby non-standard spacing or proration units could be approved by the District Supervisor without the necessity of hearing.

6. Approval of this application will prevent the economic loss caused by the drilling of unnecessary wells, will avoid augmentation of risk resulting from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Hal J. Rasmussen Operating, Inc. requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on January 9, 1992 and that, after notice and hearing as required by law and the rules of the Division, this application be approved.

Respectfully submitted,

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

By: 
WILLIAM F. CARR
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Santa Fe, New Mexico 87504
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ATTORNEYS FOR HAL J. RASMUSSEN
OPERATING, INC.