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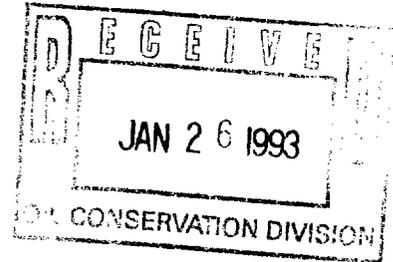
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January 26, 1993

HAND-DELIVERED

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



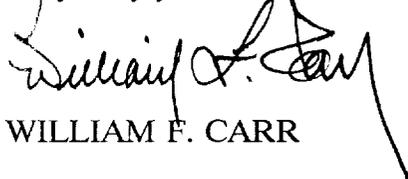
1/26/93

Re: In the Matter of the Application of Columbia Gas Development Corporation for Pool Creation and Special Pool Rules, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Columbia Gas Development Corporation and a draft of a legal advertisement in the above-referenced case. Columbia Gas Development Corporation respectfully requests that this matter be placed on the docket for the February 18, 1993 Examiner hearings.

Very truly yours,


WILLIAM F. CARR

WFC:mlh
Enclosures

cc w/enclosure: Mr. Michael K. Mendenhall, CPL
Senior Landman
Columbia Gas Development Corporation
Post Office Box 1350
Houston, TX 77251-1350

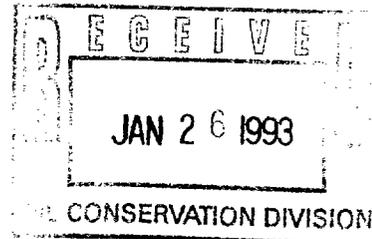
CASE 11669 :

Application of Columbia Gas Development Corporation for pool creation, special pool rules and a discovery allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Upper Wolfcamp formation comprising the NW/4 of Section 34, Township 14 South, Range 38 East, N.M.P.M., and the promulgation of special rules therefore including provisions for 160-acre spacing units and designated well location requirements. Said area is located approximately ___ miles ___ of _____, New Mexico.

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF COLUMBIA GAS DEVELOPMENT
CORPORATION FOR POOL CREATION,
SPECIAL POOL RULES AND A
DISCOVERY ALLOWABLE,
LEA COUNTY, NEW MEXICO.



CASE NO. 19567

APPLICATION

COLUMBIA GAS DEVELOPMENT CORPORATION, by its undersigned attorneys, 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 Upper Wolfcamp formation in its McMillan "34" Well No. 1 located 400 feet from the North line and 1980 feet from the West line in Unit C of Section 34, Township 14 South, Range 38 East, N.M.P.M., Lea County, New Mexico, (2) promulgating special pool rules and regulations for this pool, including (a) 160-acre spacing or proration units on a permanent basis or, in the alternative, on a temporary basis; and (b) special well location requirements, and granting a discovery allowable and in support of this application states:

1. Applicant has recently completed its McMillan "34" Well No. 1 in the Upper Wolfcamp formation, located 400 feet from the North line and 1980 feet from the West line of Section 34, Township 14 South, Range 38 East, Lea County, New Mexico. Said well is producing through the perforated casing from 9345 feet to 9468 feet and from 9587 feet to 9617 feet and was completed at a rate of 227 barrels of oil per day.

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

Township 14 South, Range 38 East, N.M.P.M.

Section 34: NW/4

3. In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid 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 160-acre spacing units should be promulgated for the new pool.

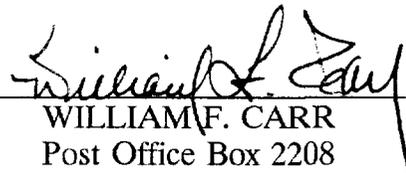
4. Applicant requests that the special pool rules provide that each well should be located on a standard unit containing 160-acres, more or less, consisting of a governmental quarter section and that each well shall be located no closer than 330 feet to the outer boundary of the spacing unit.

5. Pursuant to the provisions of Division Rule 509, Columbia Gas Development Corporation seeks assignment of a discovery allowable to its McMillan "34" Well No. 1.

WHEREFORE, Columbia Gas Development Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 18, 1993, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully submitted,

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

By: 
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