



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



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

March 18, 1993

CAMBELL, CARR, BERGE  
& SHERIDAN  
Attorneys at Law  
P. O. Box 2208  
Santa Fe, New Mexico 87504

RE: CASE NO. 10671  
ORDER NO. R-9859

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

*Sally E. Leichtle*  
Sally E. Leichtle  
Administrative Secretary

cc: BLM Carlsbad Office  
Alvin Tapia, OCD

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

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS  
MICHAEL H. FELDEWERT

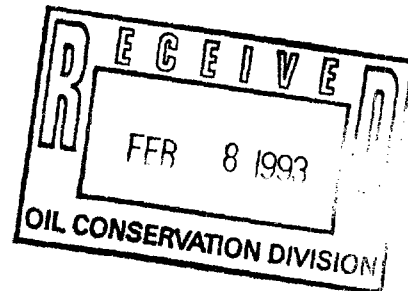
JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

February 5, 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

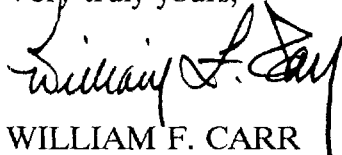


Re: In the Matter of the Amended Application of Chuza Operating for Special Pool Rules, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Chuza Operating and a draft of a legal advertisement in the above-referenced case. Chuza Operating respectfully requests that this matter be placed on the docket for the February 18, 1993 Examiner hearings, but request that this case be continued to March 4, 1993.

Very truly yours,

  
WILLIAM F. CARR

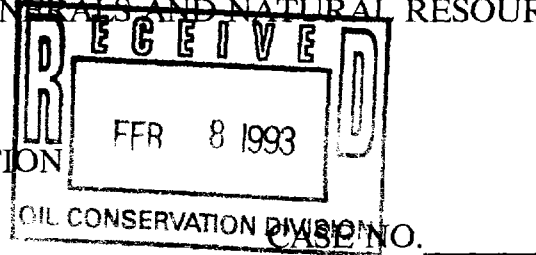
WFC:mlh  
Enclosures

cc w/enclosure: Mr. Jim Chandler

CASE \_\_\_\_\_: Amended Application of Chuza Operating for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Blinebry and Paddock formations comprising the SE/4 NE/4 and NE/4 SE/4 of Section 11, and the SE/4 NW/4 of Section 12, Township 23 South, Range 37 East, N.M.P.M., and the promulgation of special rules therefore including a provision for a gas-oil limitation of 6000 cubic feet of gas per barrel of oil. 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 CHUZA OPERATING FOR POOL CREATION  
AND SPECIAL POOL RULES,  
LEA COUNTY, NEW MEXICO.



**AMENDED APPLICATION**

CHUZA OPERATING, 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 Blinebry and Paddock formations in its Gambi Well No. 1 located 1980 feet from the North line and 660 feet from the West line in Unit E of Section 12, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico, (2) promulgating Special Pool Rules and Regulations for this pool, including a special gas/oil ratio and in support of this application states:

1. Applicant has recently completed its Gambi Well No. 1 in the Blinebry and Paddock formations, located 1980 feet from the North line and 660 feet from the West line of Section 12, Township 23 South, Range 37 East, Lea County, New Mexico.

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

**Township 23 South, Range 37 East, N.M.P.M.**

Section 11: SE/4 NE/4 and NE/4 SE/4  
Section 12: SW/4 NW/4

3. The wells in this portion of the Blinebry and Paddock formations are operated under statewide rules with a 2000 to 1 Gas/Oil Ratio.

4. The Gambi Well No. 1 can produce at rates as high as 12000 mcf per day and producing this well at the currently authorized rates will result in hydrocarbons ultimately being left in the ground.

5. Applicant seeks the establishment of Special Pool Rules and Regulations for this pool which provide for a Gas/Oil Ratio of 6000 cubic feet of gas per barrel of oil.

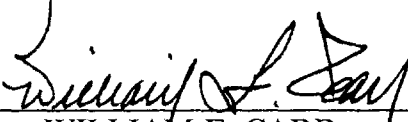
6. Applicant further requests that these special pool rules be effective as of December 14, 1992 the date on which the Gambi Well No. 1 was completed.

7. Approval of this application will result in the production of hydrocarbons which otherwise will not be produced and will otherwise be in the best interest of conservation and the protection of correlative rights.

WHEREFORE, Chuza Operating requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 18, 1993 and that, after notice and hearing as required by law and the rules of the Division, the Division enter its Order creating a new pool for production from the Blinebry and Paddock formations and promulgating Special Pool Rules and Regulations therefore, including provisions for a special gas/oil ratio of 6000 to 1.

Respectfully submitted,

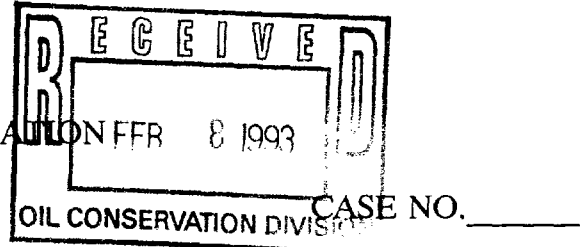
CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By:   
WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR CHUZA OPERATING

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF CHUZA OPERATING FOR POOL CREATION FFR 8 1993  
AND SPECIAL POOL RULES,  
LEA COUNTY, NEW MEXICO.



**AMENDED APPLICATION**

CHUZA OPERATING, 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 Blinebry and Paddock formations in its Gambi Well No. 1 located 1980 feet from the North line and 660 feet from the West line in Unit E of Section 12, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico, (2) promulgating Special Pool Rules and Regulations for this pool, including a special gas/oil ratio and in support of this application states:

1. Applicant has recently completed its Gambi Well No. 1 in the Blinebry and Paddock formations, located 1980 feet from the North line and 660 feet from the West line of Section 12, Township 23 South, Range 37 East, Lea County, New Mexico.

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

**Township 23 South, Range 37 East, N.M.P.M.**

Section 11: SE/4 NE/4 and NE/4 SE/4  
Section 12: SW/4 NW/4

3. The wells in this portion of the Blinebry and Paddock formations are operated under statewide rules with a 2000 to 1 Gas/Oil Ratio.

4. The Gambi Well No. 1 can produce at rates as high as 12000 mcf per day and producing this well at the currently authorized rates will result in hydrocarbons ultimately being left in the ground.

5. Applicant seeks the establishment of Special Pool Rules and Regulations for this pool which provide for a Gas/Oil Ratio of 6000 cubic feet of gas per barrel of oil.

6. Applicant further requests that these special pool rules be effective as of December 14, 1992 the date on which the Gambi Well No. 1 was completed.

7. Approval of this application will result in the production of hydrocarbons which otherwise will not be produced and will otherwise be in the best interest of conservation and the protection of correlative rights.

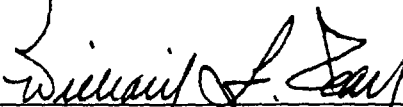
WHEREFORE, Chuza Operating requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 18, 1993 and that, after notice and hearing as required by law and the rules of the Division, the Division enter its Order creating a new pool for production from the Blinebry and Paddock formations and promulgating Special Pool Rules and Regulations therefore, including provisions for a special gas/oil ratio of 6000 to 1.



Respectfully submitted,

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

By:

A handwritten signature in black ink, appearing to read "William F. Carr", written over a horizontal line.

WILLIAM F. CARR

Post Office Box 2208

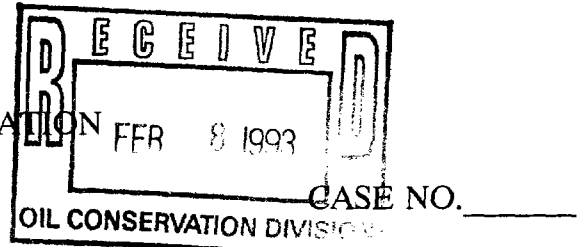
Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR CHUZA OPERATING

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF CHUZA OPERATING FOR POOL CREATION  
AND SPECIAL POOL RULES,  
LEA COUNTY, NEW MEXICO.



**AMENDED APPLICATION**

CHUZA OPERATING, 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 Blinebry and Paddock formations in its Gambi Well No. 1 located 1980 feet from the North line and 660 feet from the West line in Unit E of Section 12, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico, (2) promulgating Special Pool Rules and Regulations for this pool, including a special gas/oil ratio and in support of this application states:

1. Applicant has recently completed its Gambi Well No. 1 in the Blinebry and Paddock formations, located 1980 feet from the North line and 660 feet from the West line of Section 12, Township 23 South, Range 37 East, Lea County, New Mexico.

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

**Township 23 South, Range 37 East, N.M.P.M.**

Section 11: SE/4 NE/4 and NE/4 SE/4  
Section 12: SW/4 NW/4

3. The wells in this portion of the Blinebry and Paddock formations are operated under statewide rules with a 2000 to 1 Gas/Oil Ratio.

4. The Gambi Well No. 1 can produce at rates as high as 12000 mcf per day and producing this well at the currently authorized rates will result in hydrocarbons ultimately being left in the ground.

5. Applicant seeks the establishment of Special Pool Rules and Regulations for this pool which provide for a Gas/Oil Ratio of 6000 cubic feet of gas per barrel of oil.

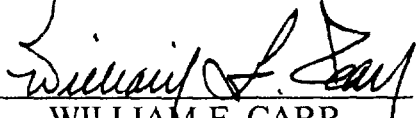
6. Applicant further requests that these special pool rules be effective as of December 14, 1992 the date on which the Gambi Well No. 1 was completed.

7. Approval of this application will result in the production of hydrocarbons which otherwise will not be produced and will otherwise be in the best interest of conservation and the protection of correlative rights.

WHEREFORE, Chuza Operating requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 18, 1993 and that, after notice and hearing as required by law and the rules of the Division, the Division enter its Order creating a new pool for production from the Blinebry and Paddock formations and promulgating Special Pool Rules and Regulations therefore, including provisions for a special gas/oil ratio of 6000 to 1.

Respectfully submitted,

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

By:   
WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR CHUZA OPERATING

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CASE 10671: Application of Chuza Operating for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Blinbry formation comprising the SE/4 NE/4 and NE/4 SE/4 of Section 11, and the SE/4 NW/4 of Section 12, Township 23 South, Range 37 East, N.M.P.M., and the promulgation of special rules therefore including a provision for a gas-oil limitation of 6000 cubic feet of gas per barrel of oil. Said area is located approximately \_\_\_ miles \_\_\_ of \_\_\_, New Mexico.

*Applicant further requests that the proposed  
special pool rules be made effective retroactive to  
December 14, 1992.*

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

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
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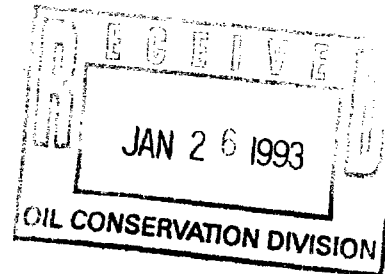
JACK M. CAMPBELL  
OF COUNSEL

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SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

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



Re: In the Matter of the Application of Chuza Operating for Special Pool Rules, Lea  
County, New Mexico

Dear Mr. LeMay:

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

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr".

WILLIAM F. CARR

WFC:mlh

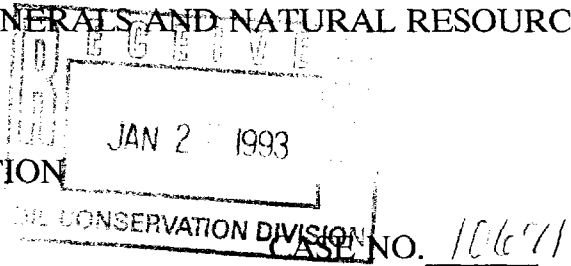
Enclosures

cc w/enclosure: Mr. Jim Chandler

BEFORE THE  
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF CHUZA OPERATING FOR POOL CREATION  
AND SPECIAL POOL RULES,  
LEA COUNTY, NEW MEXICO.



**APPLICATION**

CHUZA OPERATING, 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 Blinebry formation in its Gambi Well No. 1 located 1980 feet from the North line and 660 feet from the West line in Unit E of Section 12, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico, (2) promulgating Special Pool Rules and Regulations for this pool, including a special gas/oil ratio and in support of this application states:

1. Applicant has recently completed its Gambi Well No. 1 in the Blinebry formation, located 1980 feet from the North line and 660 feet from the West line of Section 12, Township 23 South, Range 37 East, Lea County, New Mexico.

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

**Township 23 South, Range 37 East, N.M.P.M.**

Section 11: SE/4 NE/4 and NE/4 SE/4  
Section 12: SW/4 NW/4

3. The wells in this portion of the Blinebry formation are operated under statewide rules with a 2000 to 1 Gas/Oil Ratio.

4. The Gambi Well No. 1 can produce at rates as high as 12000 mcf per day and producing this well at the currently authorized rates will result in hydrocarbons ultimately being left in the ground.

5. Applicant seeks the establishment of Special Pool Rules and Regulations for this pool which provide for a Gas/Oil Ratio of 6000 cubic feet of gas per barrel of oil.

6. Applicant further requests that these special pool rules be effective as of **December 14, 1992** the date on which the Gambi Well No. 1 was completed.


7. Approval of this application will result in the production of hydrocarbons which otherwise will not be produced and will otherwise be in the best interest of conservation and the protection of correlative rights.

WHEREFORE, Chuza Operating requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 18, 1993 and that, after notice and hearing as required by law and the rules of the Division, the Division enter its Order creating a new pool for production from the Blinebry formation and promulgating Special Pool Rules and Regulations therefore, including provisions for a special gas/oil ratio of 6000 to 1.



Respectfully submitted,

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

By: 

WILLIAM F. CARR

Post Office Box 2208

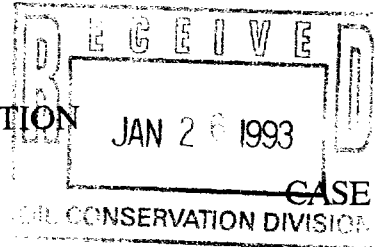
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ATTORNEYS FOR CHUZA OPERATING

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
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**APPLICATION**

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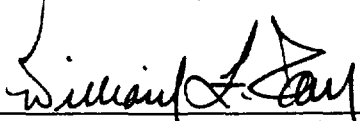
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Respectfully submitted,

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

By: 

WILLIAM F. CARR

Post Office Box 2208

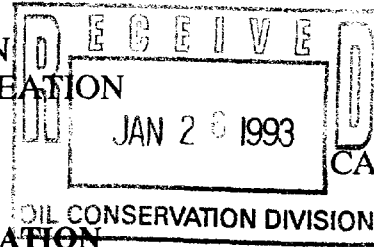
Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR CHUZA OPERATING

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF CHUZA OPERATING FOR POOL CREATION  
AND SPECIAL POOL RULES,  
LEA COUNTY, NEW MEXICO.



CASE NO. 10671

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1. Applicant has recently completed its Gambi Well No. 1 in the Blinebry formation, located 1980 feet from the North line and 660 feet from the West line of Section 12, Township 23 South, Range 37 East, Lea County, New Mexico.

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

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Section 11: SE/4 NE/4 and NE/4 SE/4  
Section 12: SW/4 NW/4

3. The wells in this portion of the Blinebry formation are operated under statewide rules with a 2000 to 1 Gas/Oil Ratio.

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5. Applicant seeks the establishment of Special Pool Rules and Regulations for this pool which provide for a Gas/Oil Ratio of 6000 cubic feet of gas per barrel of oil.

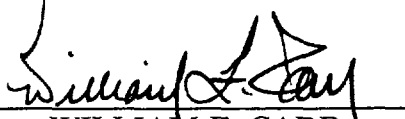
6. Applicant further requests that these special pool rules be effective as of December 14, 1992 the date on which the Gambi Well No. 1 was completed.

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Respectfully submitted,

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

By: 

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR CHUZA OPERATING