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May 17, 1994

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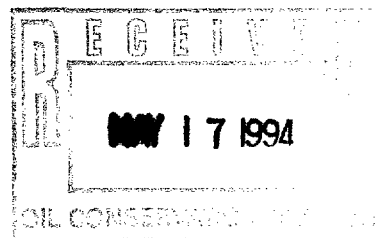
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*NOT LICENSED IN NEW MEXICO
**FORMERLY COMPRISING THE FIRM OF
CULTON, MORGAN, BRITAIN & WHITE, P.C.

VIA HAND DELIVERY

Florene Davidson
New Mexico Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501



Dear Florene:

Enclosed are an original and two copies of the following five applications filed on behalf of Santa Fe Energy Operating Partners, L.P.:

1. Amended Application in Case No. 10977. Due to the amendment, please continue this case for two weeks (it is currently scheduled for the May 26, 1994 hearing).

2. Application to Contract the Indian Basin-Upper Pennsylvanian Gas Pool and expand the Indian Basin-Upper Pennsylvanian Associated Pool.

3. Three separate applications for unorthodox locations and non-standard units.

Also enclosed are proposed advertisements for each application.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

James Bruce

JB/bc

Enclosures

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION FOR CONTRACTION
OF A POOL AND EXPANSION OF A
POOL, EDDY COUNTY, NEW MEXICO.

1994

No. 10986

APPLICATION

Applicant Santa Fe Energy Operating Partners, L.P. hereby applies to the Division for an order contracting the boundaries of the Indian Basin-Upper Pennsylvanian Gas Pool, and extending the boundaries of the Indian Basin-Upper Pennsylvanian Associated Pool, and in support thereof states:

1. Applicant owns leasehold working interests in the above-described pools.

2. The Indian Basin-Upper Pennsylvanian Gas Pool ("the Gas Pool") includes, among other acreage, the following land:

Township 22 South, Range 24 East, N.M.P.M.

§ 4: All

§ 5: All

§ 6: All

§ 7: All

§ 8: All

Township 22 South, Range 23 East, N.M.P.M.

§ 1: All

3. Wells were previously completed in the Gas Pool in said §§ 1, 4, 5, 6, 7, and 8 as gas wells. Said wells are now depleted and have been abandoned.

4. In July 1993, the Indian Basin-Upper Pennsylvanian Associated Pool ("the Associated Pool") was created for production

of hydrocarbons from the Cisco/Canyon formation. The interval produced from the Associated Pool is the same dolomite section, but structurally lower, as that produced in the Gas Pool, and is the "oil leg" of the Cisco/Canyon interval.

5. Applicant has completed wells in the S½ of Section 5 and the S½ of Section 8 as oil wells in the Cisco/Canyon formation. Additional wells are planned.

6. As a result, future production from the Cisco/Canyon formation from the above-described acreage will be from the interval produced in the Associated Pool.

7. Therefore, Applicant requests that the Gas Pool be contracted to delete §§ 4-8 of Township 22 South, Range 24 East, and Section 1 of Township 22 South, Range 23 East, and that the Associated Pool be expanded to include said acreage.

8. 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 hearing, the above relief be granted.

Respectfully submitted,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: 

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Attorneys for Santa Fe Energy
Operating Partners, L.P.

PROPOSED AMENDMENT

Case No. 10986: Application of Santa Fe Energy Operating Partners, L.P. for contraction of a pool and expansion of a pool, Eddy County, New Mexico. Applicant seeks to contract the boundaries of the Indian Basin-Upper Pennsylvanian Gas Pool by deleting therefrom Sections 4-8 of Township 22 South, Range 24 East, N.M.P.M., and Section 1 of Township 22 South, Range 23 East, N.M.P.M., and concurrently expand the boundaries of the Indian Basin-Upper Pennsylvanian Associated Pool by adding said acreage to said pool. The subject acreage is centered approximately 4.5 miles Southeast of the Marathon Oil Company Indian Basin Gas Plant.

MAY 17 1991