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July 19, 1972

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Gentlemen:

CLARENCE E.HINKLE W. E.BONDURANT, JR.

LEWIS C. COX,JR.

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STUART D. SHANOR

PAUL J. KELLY, JR. J. M. LITTLE

C. D. MARTIN

HAROLD L.HENSLEY, JR.

We enclose herewith in triplicate application of The Petroleum Corporation for temporary special pool rules and a non-standard proration unit in the Dublin-Ellenburger pool.

Mr. Hinkle has previously arranged with Mr. Porter and Mr. Nutter to have this matter set down for the hearing on August 9.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

CEH: cs

Enc. cc:

Larry Shannon

cc: Hal Dean

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF THE PETROLEUM CORPORATION FOR THE PROMULGATION OF TEMPORARY SPECIAL POOL RULES FOR THE DUBLIN-ELLENBURGER GAS POOL RESULTING FROM A DISCOVERY IN THE TENNECO FEDERAL WELL NO. 1 LOCATED IN UNIT N, SECTION 12, TOWNSHIP 26 SOUTH, RANGE 37 EAST, LEA COUNTY, INCLUDING 640 ACRE SPACING AND PRORATION UNITS AND FOR THE APPROVAL OF A NON-STANDARD UNIT TO BE DEDICATED TO SAID WELL CONSISTING OF THE S1, S2NE4 and E2NW4 SAID SECTION 12.

Case 4790

Oil Conservation Commission Box 2088 Santa Fe, New Mexico 87501

Comes The Petroleum Corporation, acting by and through the undersigned attorneys, and makes application for the promulgation of temporary special pool rules for the Dublin-Ellenburger Gas Pool resulting from a discovery in the Tenneco Federal Well No. 1 located in Unit N, Section 12, Township 26 South, Range 37 East, Lea County, including 640 acre spacing and proration units and for the approval of a non-standard unit to be dedicated to said well consisting of the S1, S1NEW and E1NWW said Section 12, and in support thereof respectfully shows:

- 1. Pursuant to Order R-4321 issued on June 7, 1972 in Case No. 4684 the Commission designated the discovery made by applicant in the Ellenburger formation in the Tenneco Federal No. 1 well as a new pool to be classified as a gas pool for the production of gas from the Ellenburger formation and defined the limits of said pool as the S½ Section 12, Township 26 South, Range 37 East.
- 2. There is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A", a plat showing the location of the discovery well and the location of wells which have been drilled within 2 miles and the ownership of the leasehold interests in the area.
- 3. Due to faulting conditions affecting portions of said Section 12 there is a possibility that the Nane and Wanwa said section may not be productive of gas but applicant believes that all of the

rest of said section is productive of gas from the Ellenburger formation and that said well will effectively and efficiently drain all of the remaining acreage consisting of 480 acres. Applicant requests that a non-standard spacing and proration unit be created consisting of said lands to be dedicated to said well.

- 4. Except as to Section 12, applicant believes that each well drilled and completed in the Dublin-Ellenburger Gas Pool will effectively and efficiently drain 640 acres or more.
- 5. Applicant believes that it will be in the interest of conservation and the prevention of waste and the orderly future development of the new pool that temporary special pool rules be adopted by the Commission providing for 640 acre spacing and proration units with a non-standard 480 acre unit to be dedicated to said well.
- 6. Applicant further believes that such temporary special pool rules and regulations will prevent the possibility of economic loss resulting from the drilling of unnecessary wells and will tend to protect correlative rights.
- 7. Applicant requests that this matter be set down for the examiner's hearing to be held on Augsut 9, 1972.

Respectfully submitted,

THE PETROLEUM CORPORATION

HINKLE, BONDURANT, COX & EATON

Attorneys for Applicant

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