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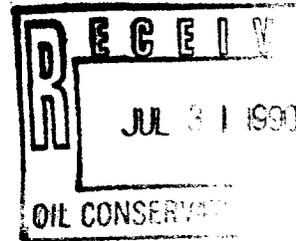
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July 31, 1990

*Case 10051*

**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 Union Oil Company of California d/b/a Unocal, for Pool Contraction and Special Pool Rules, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the above-referenced application of Union Oil Company of California d/b/a Unocal. Union Oil Company of California respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on August 22, 1990.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William F. Carr".

WILLIAM F. CARR

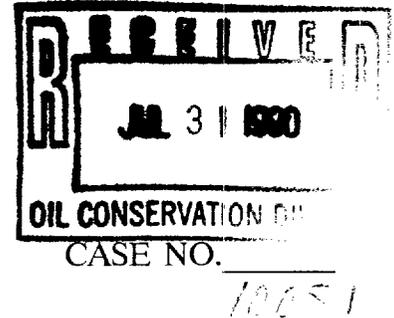
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Enclosures

cc w/enclosures: Charles Pietsch  
Union Oil Company of California  
Post Office Box 3100  
Midland, Texas 79702

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

IN THE MATTER OF THE APPLICATION  
OF UNION OIL COMPANY OF CALIFORNIA  
d/b/a UNOCAL, FOR POOL CONTRACTION  
AND SPECIAL POOL RULES,  
EDDY COUNTY, NEW MEXICO.



**APPLICATION**

COMES NOW UNION OIL COMPANY OF CALIFORNIA d/b/a UNOCAL, by their undersigned attorneys, and hereby makes application to the New Mexico Oil Conservation Division for an Order contracting the Esperanza-Delaware Pool, and for the promulgation of Special Pool Rules for this pool establishing a special oil allowable of 120 barrels of oil per day and in support of this application states:

1. Applicant is the operator of all five producing wells in the Esperanza-Delaware Pool which was created by Division Order No. R-3843 on October 1, 1969 and has been extended from time to time to include the following described lands in Eddy County, New Mexico.

**Township 21 South, Range 27 East, N.M.P.M.**

Section 28: All  
Section 33: All

**Township 22 South, Range 27 East, N.M.P.M.**

Section 3: S/2 S/2  
Section 4: All  
Section 10: NE/4, NE/4 NW/4  
Section 11: W/2 NW/4, NW/4 SW/4

\* 2. There are no wells in Sections 28 and 33 of Township 21 South, Range 27 East which produce from the Delaware formation and applicant seeks contraction of this pool to exclude these lands.

3. Applicant operates its Tracy No. 1 Well located 660 feet from the North line and 1980 feet from the West line of Section 10, Township 22 South, Range 27 East, which produces and has produced for more than 20 years, at rates equal to the State's depth bracket allowable for Delaware pools, or 80 barrels per day, and has a cumulative production to date in excess of 604,000 barrels of oil.

4. No other well in this pool is capable of producing at top allowable rates or can reasonably be expected to produce at top allowable rates from the Delaware formation.

5. Applicant seeks the promulgation of Special Pool Rules which provide for a special oil allowable of 120 barrels per day for this pool.

6. A special allowable for this pool of 120 barrels of oil per day will enable Unocal to produce the remaining reserves in the Delaware formation in this pool in the most efficient manner thereby preventing waste.

7. Adoption of a 120 barrel per day special oil allowable for the Esperanza-Delaware Pool will not impair the correlative rights of any interest owner in the pool.

8. Approval of this application will result in the greater ultimate recovery of oil from this pool and is otherwise in the best interest of conservation.

WHEREFORE, Union Oil Company of California d/b/a Unocal requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on August 22, 1990, and that, after notice and hearing as required by law and the Rules of the Division, the application be approved.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

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

ATTORNEYS FOR UNION OIL  
COMPANY OF CALIFORNIA  
d/b/a UNOCAL