

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE
ENERGY COMPANY FOR COMPULSORY
POOLING AND AN UNORTHODOX
LOCATION, EDDY COUNTY, NEW
MEXICO.

No. 8196

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MAY - 1 1984

OIL CONSERVATION DIVISION

APPLICATION

Santa Fe Energy Company, by its undersigned agent, hereby makes application for an Order granting an unorthodox well location, and pooling all interests in the formations specified below, in the S1/2 of Section 12, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show:

1. Applicant is the working interest owner of certain interests in the S1/2 of Section 12, Township 24 South, Range 28 East, Eddy County, New Mexico.

2. Applicant proposes to drill its Burkham Fed. Com. #1 Well in the S1/2 of Section 12, at an unorthodox location 660 feet from the South line and 990 feet from the West line of the Section. Applicant is seeking administrative approval of this unorthodox location, but desires to present its case as soon as possible if administrative approval is not obtained.

3. Applicant desires to drill its well to test the following formations:

(a) The Atoka formation, with the S1/2 of Section 12 to be dedicated to the well. This formation is the primary target;

(b) The Morrow formation, with the S1/2 of Section 12 to be dedicated to the well;

(c) The Strawn formation, with the S1/2 of Section 12 to be dedicated to the well; and

(d) The Wolfcamp formation with the S1/2 of the Section to be dedicated to the well.

4. Applicant has in good faith sought to join all other leasehold owners of mineral interests in the S1/2 of Section 12 for the purposes set forth herein.

5. Although Applicant attempted to obtain voluntary agreements from all leasehold owners of mineral interests to participate in the drilling of the well or to otherwise commit their interests to the well, the leasehold owners set out below have refused to join in dedicating their acreage:

a) Aminoil Inc.
Orchard Place 6
8000 East Maplewood Ave.
Suite 333
Englewood, Colorado 80111
Attn: Norm Stevens

b) Phillips Petroleum Co.
4001 Penbrook
Odessa, Texas 79762
Attn: Monty Hightower

Therefore, Applicant seeks an Order pooling all leasehold owners of mineral interests in the formations specified above underlying the S1/2 of Section 12, pursuant to § 70-2-17 N.M.S.A. 1978.

6. Applicant asks that the Division consider the cost of drilling and completing the well, the allocation of the cost

thereof, as well as actual operating costs and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty for the risk involved in drilling the well.

7. Approval of the unorthodox well location will be in the interests of conservation, the prevention of waste, and the protection of correlative rights.

8. The pooling of all interests in the formations specified above underlying the S1/2 of Section 12 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

9. Applicant requests that this matter be heard at the May 23, 1984 Examiner hearing.



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Agent for Santa Fe Energy Company

DATED: May 1, 1984