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

RECEIVED

JUN 2 1 -

APPLICATION OF SANTA FE EXPLORATION COMPANY FOR AMENDMENT OF THE NORTH KING CAMP DEVONIAN OIL POOL SPECIAL POOL RULES, CHAVES COUNTY, NEW MEXICO

LIL CONSERVATION DIVISION

case no. 9697

APPLICATION FOR AMENDMENT OF ORDER NO. R-8806 Applicant states:

- It is the operator of the Holmstrom Federal Well
 No. 1 which was the discovery well drilled in the North King
 Camp Devonian Oil Pool (the pool).
- 2. The Holmstrom Federal No. 1 Well is located and is dedicated to the SE/4 of Section 9, Township 14 South, Range 29 East, N.M.P.M. Chaves County, New Mexico.
- 3. Special Pool Rules for the pool were promulgated by the Division in its Order R-8806, the application for which was made by applicant.
- 4. The top oil allowable for the pool is based on the Division's depth bracket allowable as promulgated by the Division's Statewide Rules and Regulations.
- 5. Production history of the Federal Holmstrom Well No. 1 indicates that the top oil allowable for the pool should not exceed 350 barrels of oil per day.

- 6. The top oil allowable for wells in the pool should be amended to a top oil allowable not to exceed 350 barrels of oil per day.
- 7. Approval of the application would be in the best interests of conservation of oil and gas in the pool.

Wherefore applicant requests that:

- 1. The application be approved in its entirety after notice and hearing.
- 2. For such other and further relief as the Division deems appropriate.

Respectfully submitted,

PADILIA & SNYDER

Ernest L. Padilla Post Office Box 2523 Santa Fe, New Mexico 87504

(505) 988-7577

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