CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT
DAVID B. LAWRENZ
TANYA M. TRUJILLO

JACK M. CAMPBELL

OF COUNSEL

JEFFERSON PLACE

SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

TELECOPIER: (505) 988-4421
TELECOPIER: (505) 983-6043

February 22, 1994

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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

FFB 2 2 1994

Re: Application of Enron Oil & Gas Company for Special Pool Rules for the Red Hills-Bone Spring Pool, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the application of Enron Oil & Gas Company in the above-referenced case and a copy of a legal advertisement for this case. Enron Oil & Gas Company respectfully requests that this case be placed on the docket for the March 17, 1994 Examiner hearings.

Very truly yours,

William F. Carr

WFC:rw Enclosures

cc: Patrick J. Tower

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF ENRON OIL & GAS COMPANY FOR
SPECIAL POOL RULES FOR THE RED HILLSBONE SPRING POOL, LEA COUNTY,
NEW MEXICO

case no. <u>//943</u>

APPLICATION

ENRON OIL & GAS COMPANY, by its undersigned attorneys, hereby makes application to the Oil Conservation Division for the promulgation of Special Pool Rules for the Red Hills-Bone Spring Pool, including provisions for 80-acre spacing or proration units and in support of this application states:

- 1. The Red Hills-Bone Spring Pool was established in 1992 by Order No. R-9792 and is comprised of the NW/4 of Section 13, Township 25 South, Range 33 East, N.M.P.M., Lea County, New Mexico.
- 2. Enron Oil & Gas Company is a working interest owner in this pool and the operator of all wells located therein.
- 3. Data acquired from the wells completed in this pool shows that wells in the pool can drain 80-acres.
- 4. In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid augmentation of risk arising from the drilling of an excessive number of wells and otherwise prevent waste and protect correlative rights, special rules and regulations providing for 80-acre spacing units should be promulgated for the new pool.

5. Enron Oil & Gas Company requests that the special pool rules provide that each well should be located on a standard unit containing 80-acres, more or less, consisting of a governmental quarter section and that each well shall be located no closer than 330 feet

to the outer boundary of the spacing unit.

6. Approval of this application will be in the best interest of conservation, the

prevention of waste and the protection of correlative rights.

WHEREFORE, Enron Oil & Gas Company requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on March 17, 1994, and that after notice and hearing as required by law, the Division promulgate Special Pool Rules and Regulations for this pool including provisions for 80-acre spacing and proration units.

Respectfully submitted,

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

William F. Carr

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

ATTORNEYS FOR ENRON OIL & GAS COMPANY

	CASE NO:	Application of Enron Oil & Gas Company for Special
		Pool Rules, Lea County, New Mexico. Applicant in the
		above-styled cause seeks the promulgation of Special
		Pool Rules for the Red Hills-Bone Spring Pool located
		in Section 13, Township 25 South, Range 33 East
		N.M.P.M., including a provision for 80-acre spacing and
		proration units. Said area is located approximately
		miles of New
		Mexico

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