



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

**Mark E. Fesmire, P.E.**  
Director  
Oil Conservation Division

## MEMORANDUM

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**TO:** Jim Bruce, Legal Counsel for Amerada Hess Corporation

**CC:** Chris Williams, Hobbs District Supervisor  
Paul Kautz, Geologist

**FROM:** Michael E. Stogner, Engineer *M.S.*

**SUBJECT:** (1) Amerada Hess Corporation's J. R. Phillips Well No. 7 (API No. 30-025-04136) located 1980' FNL & 760' FEL (Unit H) of Section 1, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) Future development within the Monument McKee-Ellenburger (Prorated) Gas Pool (47080).

**DATE:** September 13, 2005

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Mr. Bruce:

Attached is Division Administrative Order NSL-5278 for Amerada Hess Corp.'s above-described J. R. Phillips Well No. 7 (API No. 30-025-04136). My review of your application (*administrative application reference No. pSEM0-522745244*) lead me to an extensive review of the Division's records on the Monument McKee-Ellenburger (Prorated) Gas Pool that I found quit "interesting" and "reveling." I scratched my head on this one and contemplated on what to do and how to handle this matter. Since so much time has passed since R-8170 was issued to replace R-1670-D, I decided this would be the only administrative unorthodox location order for an exception to the "special pool rules" that I would issue in this pool. I suggest Amerada Hess and Chevron, being the only two operators in the pool, bring a case to the Division to: (i) resend gas prorationing within the Monument McKee-Ellenburger Gas Pool; (ii) repeal the special pool rules; and (iii) revert the development of this pool to the current Division's Rule 104.C (2) [320-acre spacing, 660 foot set-backs, and infill provisions]. I suggest that you review the Division's web-site under this administrative order/application; there you will find references and copies of all the orders that I know were issued for this pool.