

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

TONEY ANAYA

October 28, 1986

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

Happy Oil Company P.O. Drawer 770 Artesia, New Mexico 88210

Attention: Diana Klantz

Re: Administrative Order NFL-139

Dear Ms. Klantz;

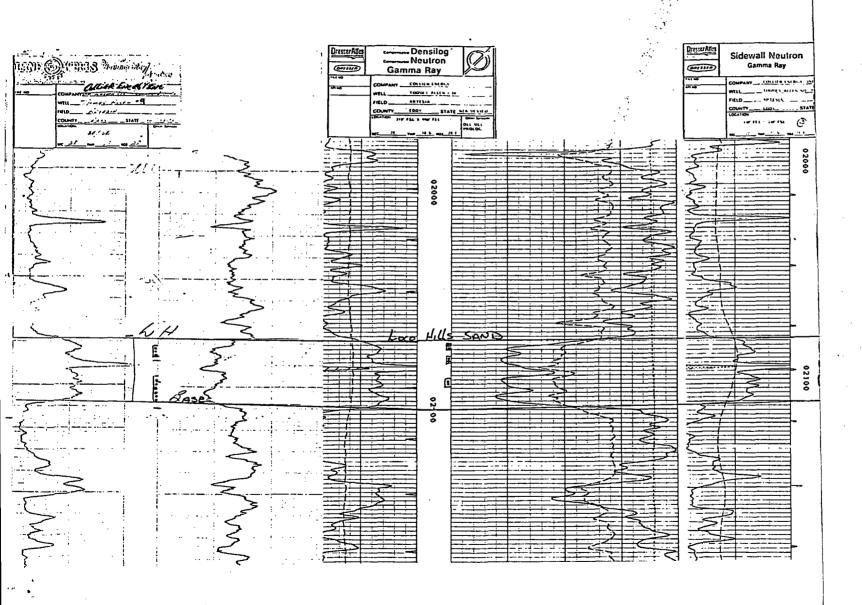
Reference is made to your application for an Infill Well Finding and Well-Spacing Waiver made pursuant to Section 271.305(b) of the Federal Energy Regulatory Commission regulations, Natural Gas Policy Act of 1978, and Oil Conservation Division Order No. R-6013 for the following described well:

Toomey Allen Well No. 11, located 330 feet from the South line and 380 feet from the East line of Section 28, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

THE DIVISION FINDS THAT:

- (1) Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for in infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waver of existing well-spacing requirements.
- (2) By Division Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill is necessary.
- (3) The well for which a finding is sought is to be completed in the Artesia Queen Grayburg San Andres Pool, and the standard spacing unit in said pool is 40 acres.

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1) Collier Energy Inc.	
Topmey Allen Well No. 9	
990 'ESL-330' FEL	
Artesia Queen Grayburg San Andres completion Soud: 7/78/48	
Cumulative preduction as of 12/31/83:	
605 - 57097 MIF	
0:1 - 103 84 4 3.0	

(2) Collier Energy, Inc.
Toomey Allon Well Ab. 10
330' FS1-990' FEL

Spood: 9/25/82
Artesia Gueen Graybers San Andres completion
Cummulative Production as of 12/31/83:
605 - 10257
0:1 - 8125

(3) Collier Energy, Inc.
Toomey Allen Well No. 11
330' Fst- 380' Fst.
Sped: 5/26/83
Actosia Overn Ctoyborg San Andres completion
Commulative Production as a f 12/31/87:
Gas = 8016