

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5600
Order No. R-5144

APPLICATION OF CHAMPLIN PETROLEUM
COMPANY FOR THE ADOPTION OF POOL
RULES, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 7, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of January, 1976, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Champlin Petroleum Company, is an owner and operator in the East Carlsbad-Wolfcamp Gas Pool, Eddy County, New Mexico.

(3) That said East Carlsbad-Wolfcamp Gas Pool was created and designated by the Commission by Order No. R-5015 effective June 1, 1975.

(4) That by Commission Order No. R-5113, dated October 28, 1975, Rule 104 of the Commission Rules and Regulations was amended to provide that all gas pools for Wolfcamp gas production in Southeast New Mexico which were created and defined November 1, 1975, or later shall have 320-acre spacing and proration units, inasmuch as it was found that in Southeast New Mexico. . ."a gas well completed in the Wolfcamp or deeper formations will efficiently and economically drain and develop a 320-acre tract."

(5) That the applicant in the instant case seeks the promulgation of rules including a provision for 320-acre spacing for the East Carlsbad-Wolfcamp Gas Pool, in Eddy County, New Mexico, inasmuch as that pool was excluded from the provisions of Order No. R-5113, because it was created and defined prior to the cut-off date of November 1, 1975.

(6) That no appearances were made in opposition to the application at the hearing of the instant case and no objection was received to the inclusion of the East Carlsbad-Wolfcamp Gas Pool under the provisions of Rule 104 of the Commission Rules and Regulations for gas pools of the Wolfcamp or older formations.

(7) That one well in the East Carlsbad-Wolfcamp Gas Pool in Eddy County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Wolfcamp or older formations will not cause waste nor violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That effective February 1, 1976, each well completed or recompleted in the East Carlsbad-Wolfcamp Gas Pool or in the Wolfcamp formation within one mile thereof shall be subject to the provisions of Rule 104 of the Commission Rules and Regulations notwithstanding the fact said pool was created and defined prior to November 1, 1975.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the East Carlsbad-Wolfcamp Gas Pool or in the Wolfcamp formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia District Office of the Commission in writing of the name and location of the well by February 15, 1976.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, all existing wells in the East Carlsbad-Wolfcamp Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Commission Rules and Regulations; or pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard units dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

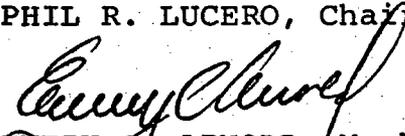
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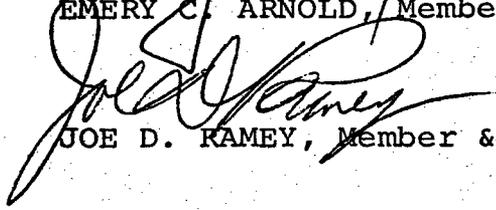
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

jr/



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

April 21, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Marbob Energy Corporation
P. O. Box 227
Artesia, New Mexico 88211-0227
Attention: Raye Miller

Telefax No. (505) 746-2523

Administrative Order NSL-4862

Dear Mr. Miller:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on March 31, 2003 (*administrative application reference No. pKRV0-309228478*); and (ii) the Division's records: all concerning Marbob Energy Corporation's ("Marbob") request for an exception to the provisions of Division Rule 104.C (2) (b), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for its existing Carlsbad State Com. Well No. 1 (API No. 30-015-23207), located at an unorthodox infill Strawn gas well location 2140 feet from the North line and 990 feet from the West line (Unit E) of Section 16, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico.

The W/2 of Section 16, being a standard 320-acre stand-up gas spacing unit within the Carlsbad-Strawn Gas Pool (74040), is currently dedicated to Marbob's CCAP State Com. Well No. 1 (API No. 30-015-31380), located at a standard gas well location 750 feet from the South line and 1650 feet from the West line (Unit N) of Section 16.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

It is our understanding that the above-described Carlsbad State Com. Well No. 1 is currently completed in the South Carlsbad-Morrow Gas Pool (73960) within a standard 320-acre gas spacing and proration unit also comprising the W/2 of Section 16. In 1980, when this well was initially drilled by Hallwood Petroleum, Inc. the location was considered to be standard pursuant to the rules governing the South Carlsbad-Morrow Gas Pool (see Division Orders No. R-8170, as amended, and R-11315).

It is further understood that the Morrow interval is to be abandoned at this time and that Marbob intends to plug the well back and recomplete up-hole into the Strawn formation. Pursuant to Division Rule 104.C (2) (b), as revised, this location is now unorthodox for deep gas production in southeast New Mexico, which includes the Carlsbad-Strawn Gas Pool.

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Marbob Energy Corporation

April 21, 2003

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By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox Strawn infill gas well location within this 320-acre unit comprising the W/2 of Section 16 is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe