

September 20, 1995

Mr. William J. LeMay, Director
State of New Mexico
Oil Conversation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Application for Unorthodox Eumont Gas Well Location &
Simultaneous Dedication (Order No. R-655)
R.R. Bell "H" #3
Eumont-Yates, Seven Rivers, Queen (Pro Gas)
Section 23, T-19S, R-36E, Lea County, NM

Dear Mr. LeMay,

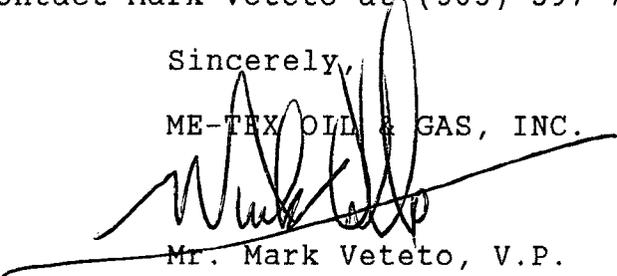
Me-Tex Oil & Gas, Inc. respectfully requests administrative approval of an unorthodox gas well location for the R.R. Bell "H" #3 well to be located 990' from North line, 330' from East line, Section 23, T-19S, R-36E in Lea County, New Mexico. This location is unorthodox due to being closer than 660 feet to the nearest quarter-quarter section line. This well is assigned to a previously approved 200 acre non-standard gas proration unit in the Eumont Gas Pool, Order No. R-655. Me-Tex requests simultaneous dedication of the Eumont gas production from the R.R. Bell "H" #1 with the Eumont gas production from the R.R. Bell "H" #3 well.

Me-Tex Oil & Gas, Inc. has notified operators offsetting this proration unit by sending this application certified mail dated September 20, 1995.

If there are any questions concerning this application, please contact Mark Veteto at (505) 397-7750.

Sincerely,

ME-TEX OIL & GAS, INC.



Mr. Mark Veteto, V.P.

MV:rh

Attachments

xc. New Mexico Oil Conservation Division
District I
P.O. Box 1980
Hobbs, NM 88241-1980

District I
 PO Box 1908, Hobbs, NM 88241-1908
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		76480	Eumont Yates 7 Rvrs. Queen (Pro Gas)
Property Code	Property Name		Well Number
016345	R.R. Bell "H"		3
OGRID No.	Operator Name		Elevation
014462	Me-Tex Oil & Gas, Inc.		

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	23	19S	36E	1	990'	North	330	East	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

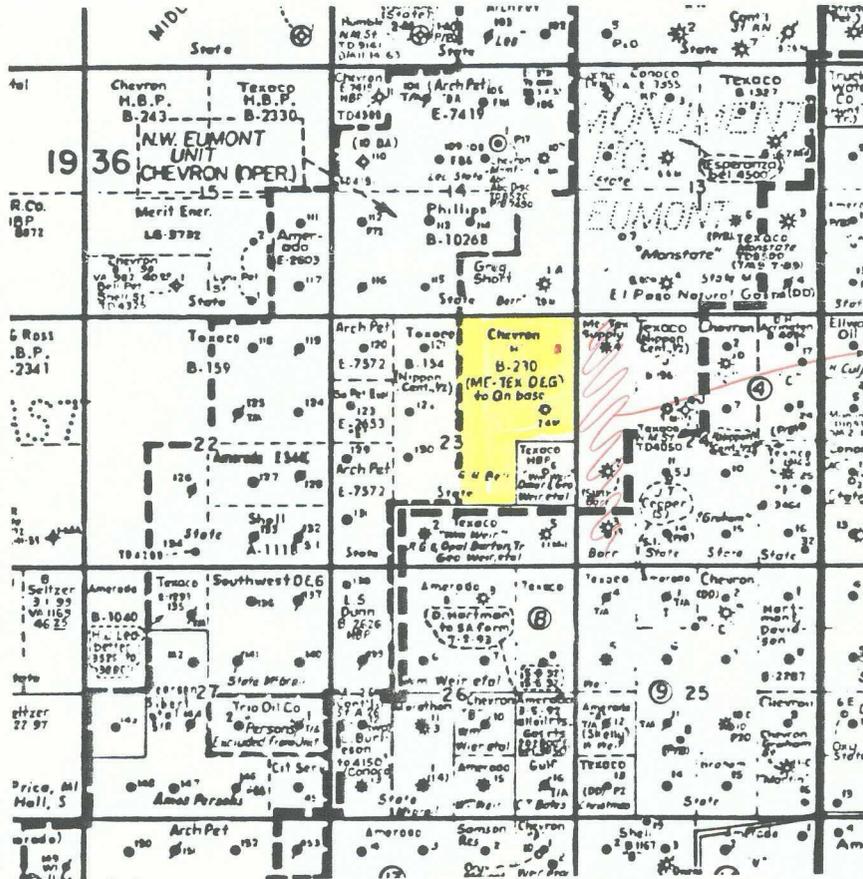
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
200			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i></p> <p>Signature</p> <p>Mark Veteto</p> <p>Printed Name</p> <p>Vice-President</p> <p>Title</p> <p>9-20-95</p> <p>Date</p>
					<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>

Certificate Number

ME-TEX OIL & GAS, INC.
 Application for an Unorthodox Location
 R.R. Bell "H" #3
 Eumont Gas Pool
 Section 23, T-19S, R-36E, Lea County, NM



*160 acre
 NSP
 belonging to
 Me-Tex*

OFFSET OPERATORS:

- 1). Texaco Exploration & Production, Inc.
 P.O. Box 3109
 Midland, TX 79702
- 2). Phillips Petroleum Company
 4001 Penbrook
 Odessa, TX 79762
- 3). Greg Short, P.E. DBA Oil & Gas Operations
 HC 31, Box 51-V-50
 Midland, TX 79707

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 912
Order No. R-655

THE APPLICATION OF GULF OIL
CORPORATION FOR APPROVAL OF
A 200 ACRE NON-STANDARD GAS
PRORATION UNIT IN THE EUMONT GAS
POOL, LEA COUNTY, NEW MEXICO, TO
CONSIST OF THE NE/4 AND THE NW/4 SE/4
OF SECTION 23, TOWNSHIP 19 SOUTH,
RANGE 36 EAST, NMPM, SAID UNORTHODOX
OR NON-STANDARD UNIT TO BE DEDICATED
TO APPLICANT'S R. R. BELL "H" WELL NO.
1 LOCATED 1980 FEET FROM THE NORTH
LINE AND 660 FEET FROM THE EAST LINE
OF SAID SECTION 23.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on May 18, 1955, at Santa Fe, New Mexico before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 28th day of June, 1955, the Commission, a quorum being present, having considered the record and the testimony adduced at said hearing and being fully advised in the premises,

FINDS:

- (1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the Commission has the power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.
- (3) That applicant, Gulf Oil Corporation, is the owner of oil and gas leases in Lea County, New Mexico, which leases cover lands comprising other than a legal section and described as follows:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 23: NE/4, NW/4 SE/4

containing 200 acres more or less.

(4) That applicant, Gulf Oil Corporation, has a producing gas well on the aforesaid leases which well is known as applicant's R. R. Bell "H" Well No. 1, located 1980 feet FNL and 660 feet FEL of Section 23, Township 19 South, Range 38 East, NMPM, Lea County, New Mexico.

(5) That the aforesaid well was completed as a gas well in the Eumont Gas Pool on June 6, 1954, and is producing from within the horizontal and vertical limits of said gas pool as such limits are defined by Commission Order R-520 and subsequent pertinent orders.

(6) That it is impractical to pool applicant's aforesaid leases with adjoining acreage and that the owners of adjoining acreage have not objected to the formation of the proposed proration unit.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover his just and equitable share of the natural gas in the Eumont Gas Pool.

(8) That the creation of a proration unit consisting of the aforesaid acreage will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Gulf Oil Corporation for approval of an unorthodox gas proration unit consisting of the following described acreage be, and the same is hereby approved, and a proration unit consisting of the following described acreage is hereby created:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 23: NE/4, NW/4 SE/4

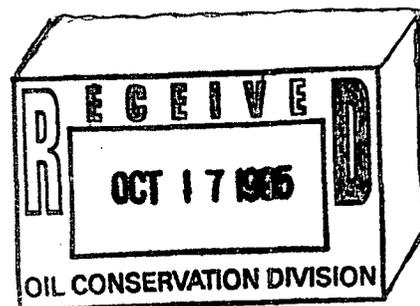
containing 200 acres more or less.

(2) That applicant's well, R. R. Bell "H" Well No. 1, located 1980 feet FNL and 660 feet FEL of Section 23, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, in the Eumont Gas Pool, shall be granted an allowable, which allowable shall be in the proportion that the above described 200 acre non-standard or unorthodox gas proration unit bears to the standard or orthodox proration unit for the Eumont Gas Pool, all until further order of the Commission.

DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

State of New Mexico
Oil Conservation Commission
John F. Simms, Chairman
E. S. Walker, Member
W. B. Macey, Member and Secretary

S E A L



October 16, 1995

Michael E. Stogner, Chief Hearing Officer
State of New Mexico
Oil Conservation Division
P.O. Box 6429
Santa Fe, NM 87505-6429

Re: Administrative application for approval of an unorthodox Eumont gas well location and simultaneous dedication. R.R. Bell "H" Well No. 3 (API No. 30-025-33132) to be Drilled 990' feet from the North line and 330 feet from the East Line (Unit A) of Section 23, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico.

Dear Mr. Stogner,

Subsequent to your refusal to approve the above referenced well, Me-Tex would ask you to re-consider the application. This unorthodox location is being requested for geologic reasons.

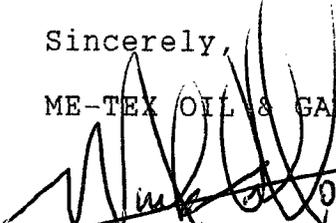
This lease lies on the extreme western boundary of the Eumont production zone where steep western dip is realized. The location of the #3 R.R. Bell "H" was not chosen on "closeology", but necessitating a higher structural position that would ensure production. We are offsetting our lease to the East. Enclosed is a structural map contoured on top of the Penrose (Eumont) pay zone.

Me-Tex Oil & Gas, Inc. feels that these geologic factors discussed, dictate the necessity for drilling an unorthodox location. There have been no objections by any offset operators to this proposed location.

If there are any questions concerning this re-submittal, please call Mark Veteto at (505) 397-7750.

Sincerely,

ME-TEX OIL & GAS, INC.


Mark Veteto, Vice-President

MV:rh

Encl.

T-195 K36E

