

DATE 12/22/00	SUPERVISOR 1/11/01	ENGINEER MS	LOGGED	TYPE NSL
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

36341488

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

*Marking*

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling  
 NSL     NSP     DD     SD

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement  
 DHC     CTB     PLC     PC     OLS     OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

*Sep Newbury 2 on Division*

00 DEC 22 PM 11:56 OIL CONSERVATION DIV.

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

WILLIAM F. CABE                      *William F. Cabe*                      ATTORNEY                      12/18/00  
 Print or Type Name                      Signature                      Title                      Date

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

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO  
ROBERT J. SUTPHIN, JR.  

---

JACK M. CAMPBELL  
1916-1999

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: law@westofpecos.com

December 21, 2000

**VIA HAND-DELIVERY**

Lori Wrottenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: ***Application of Nearburg Exploration Company, L.L.C. for Administrative Approval of Directional Drilling and an Unorthodox Bottomhole Well Location in the Strawn formation for its Weststar "13" Well No. 1 at a point 510 feet from the North line and 2250 feet from the East Line of Section 13, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico.***

Dear Ms. Wrottenbery;

Pursuant to the provisions of Division Rule 104 F adopted on August 12, 1999, Nearburg Exploration Company, L.L.C. hereby seeks administrative approval of directional drilling and an unorthodox bottomhole well location for its Weststar "13" State Well No. 1. To avoid a circular irrigation system, Nearburg proposes to directionally drill this well from a surface location 330 feet from the North line and 2350 feet from the East line to an unorthodox bottomhole location in the Strawn Formation at a point 510 feet from North line and 2250 feet from the East line (Unit B) of Section 13, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A standard 80-acre spacing and proration unit comprised of the W/2 NE/4 of Section 13 will be dedicated to the well in the Strawn formation, South Humble City-Strawn Pool.

The well will be drilled to a depth sufficient to test the Strawn formation. This location is unorthodox because it is governed by the Special Rules and Regulations for the South Humble-City Strawn Pool which provide for wells to be drilled on 80-spacing units and to be located within 150

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
December 21, 2000  
Page 2

feet of the center of a governmental quarter-quarter section. The subject bottomhole location encroaches on offsetting tracts to the North, West and Northwest.

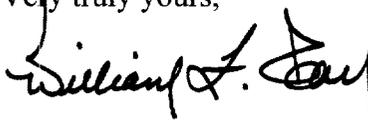
This unorthodox bottomhole location is required by geological conditions. The well is targeted to intersect the top of a small algal mound in the Strawn formation which covers less than 40 acres. Exhibit A to this application is a Strawn Algal Mound Gross Isopach Map which shows that this unorthodox location is necessary to effectively produce these reserves. This location is outside the orthodox location window established by the Special Rules and Regulations for this pool.

Attached hereto as Exhibit B is a plat, as required by Rule 104.F (3), showing the subject spacing unit, the proposed unorthodox well location, the offsetting wells and the diagonal and adjoining spacing units.

Exhibit C lists parties affected by this application. A copy of this application, including a copy of the plat described above has been sent to the affected parties by certified mail-return receipt requested in accordance with Rule 1207 (A)(5) advising them that if they have an objection to this application it must be filed in writing within twenty days from the date this notice was sent.

Your attention to this application is appreciated.

Very truly yours,



William F. Carr  
Attorney for Nearburg Exploration Company, L.L.C.

Enclosures

cc: Mr. Bob Shelton  
Nearburg Exploration Company, L.L.C.  
3300 North "A" Street  
Building 2, Suite 120  
Midland, Texas 79705

Nearburg Exploration Company, L.L.C.  
3300 North "A" Street  
Building 2, Suite 120  
Midland, Texas 79705

Attention: Bob Shelton

*Administrative Order NSL-\_\_\_\_\_*

Dear Mr. Shelton:

Reference is made to your application dated December 15, 2000 for an unorthodox bottomhole well location in the Strawn and Devonian formations for your Weststar "13" Well No.1. Said well will be drilled to a bottom hole location in the Strawn and Devonian formations 510 feet from the North line and 2250 feet from the East line (Unit B) of Section 13, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico.

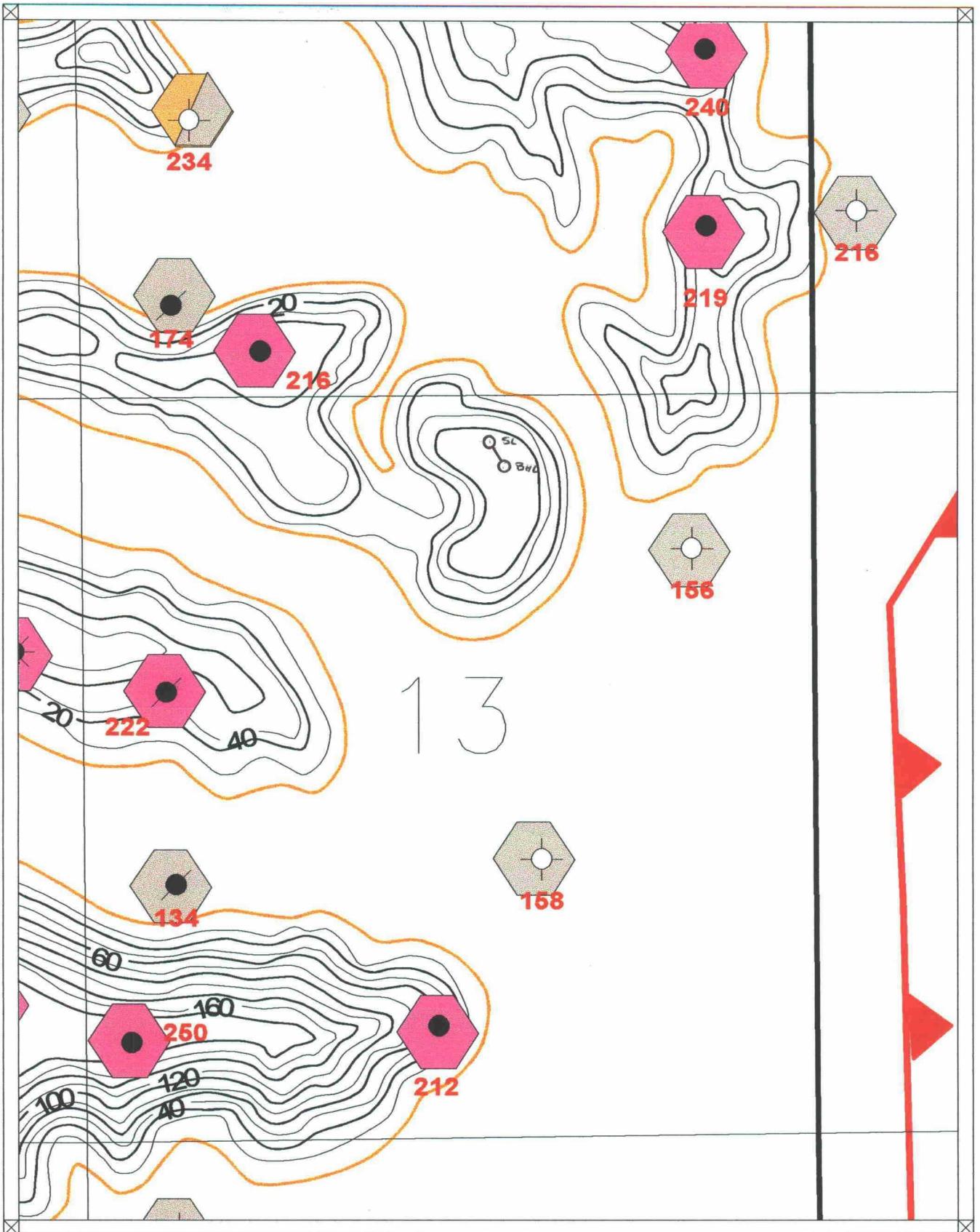
An 80-acre spacing and proration unit in the Strawn formation comprising the W/2 NE/4 of said Section 13 is to be dedicated to said well.

By authority granted me under the provisions of Rule 104.F(2) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the New Mexico Oil Conservation Commission in Case 11,351 on January 18, 1996, the above-described unorthodox well location is hereby approved.

Sincerely,

Lori Wrotenbery  
Director

cc: Oil Conservation Division - Hobbs/Artesia  
U. S. Bureau of Land Management - Carlsbad



**Nearburg Producing Company**  
 Exploration and Production  
 Midland, Texas

**CAJA AREA**  
**LEA COUNTY, NEW MEXICO**  
**STRAWN ALGAL MOUND**  
**GROSS ISOPACH MAP**

C.I. = 20'

GEOLOGIST	DATE	DRAWN BY	FILE NO.
J. B. ELGER	10/2000	PLD/LCG	ISOTRAMGPF

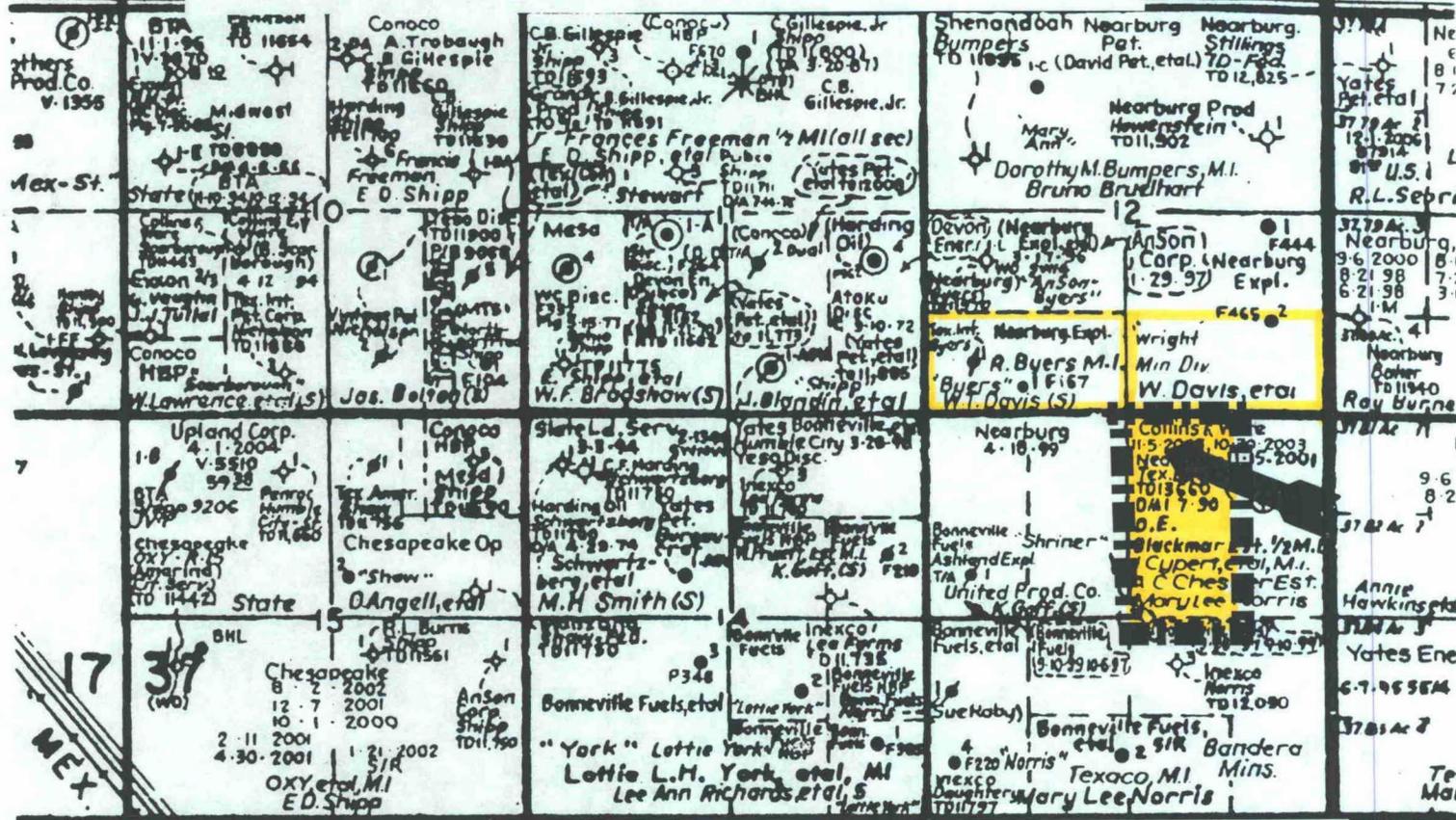


Scale 1:12000.



Oil 8-31-95 Atoka Disc  
 F449 HBP Aker  
 Pennzoil E 0436 (110352)  
 W.K. Owen  
 Price HBC  
 N/2 of SWA  
 Family, Tr.  
 Rankenship, et al  
 nson, et al. M.I.  
 7-24-98  
 Nearburg  
 7-31-99  
 3770-9

# WESTSTAR "13" #1 WELL



## SURFACE LOC. 330' FNL & 2350' FEL

## BOTTOM HOLE LOC. 510' FNL & 2250' FEL

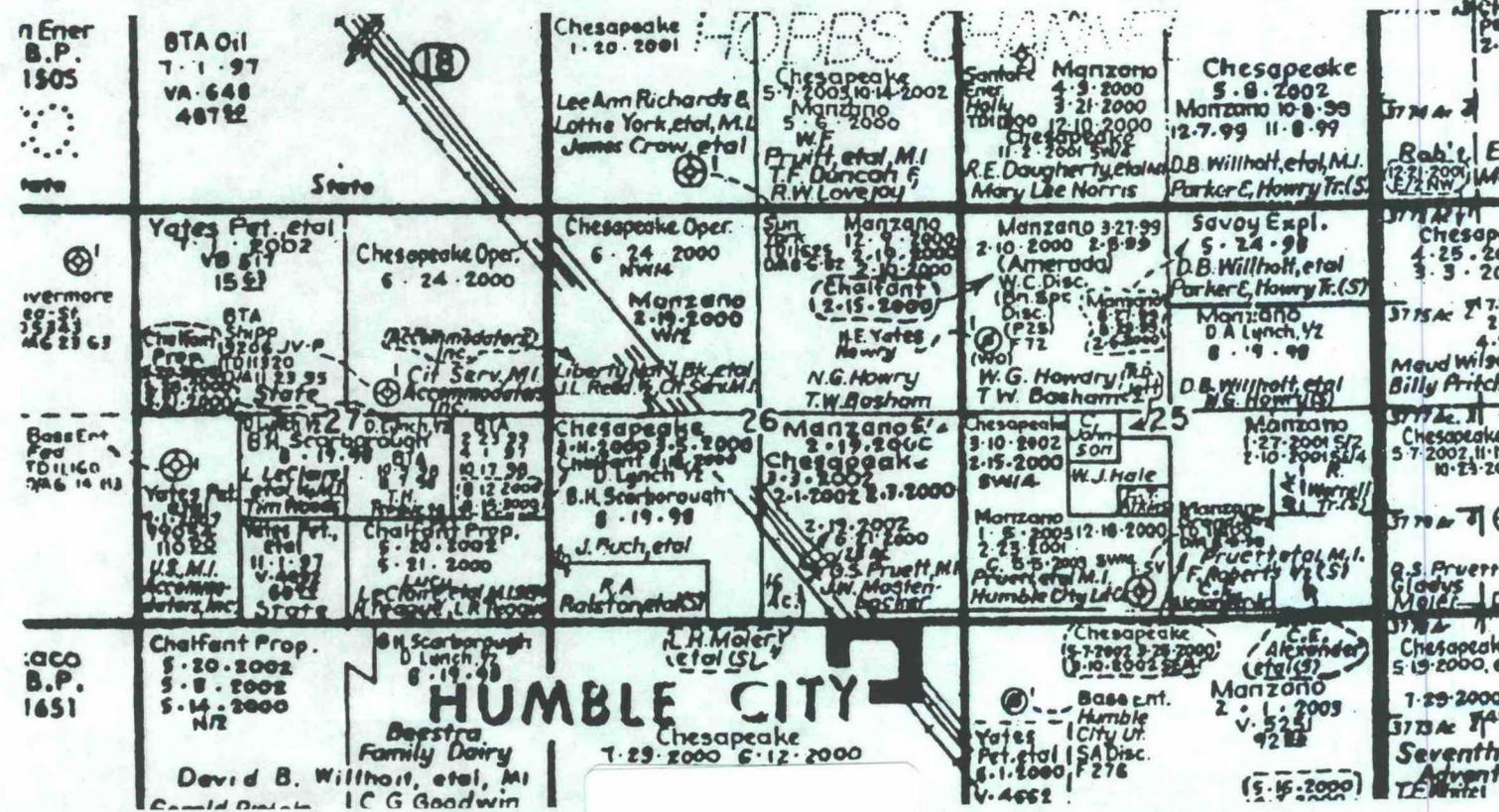


EXHIBIT B

## **EXHIBIT C**

### **AFFECTED PARTIES**

Application of Nearburg Exploration Company, L.L.C. for  
administrative approval of directional drilling and an unorthodox bottomhole location  
Weststar "13" Well No. 1  
510 feet from the North line and 2250 feet from the East line  
Section 13, Township 17 South, Range 37 East, NMPM  
Lea County, New Mexico.

Winda Thorgersen Agate Estate  
Bradley E. Parrish, Executor  
2801 179<sup>th</sup> N.E.  
Redmond, Washington 98052

B & L Oil Company, Inc.  
2341 Bobwhite Drive  
Odessa, Texas 79761

Anemone Stiles Baker  
3304 60<sup>th</sup> Street  
Lubbock, Texas 79413

Roy G. Barton, Trustee  
Roy G. & Opal Barton Trust  
1919 North Turner Street  
Hobbs, New Mexico 88240-2712

John Nickson Beers & Marcelyn Beers  
20579 Missionary Ridge  
Walnut, California 91789

Sara Jane Bergstrom  
3320 Alderwood  
Bellingham, Washington 98225

Bonnie A. Bernat  
6412 South Knox  
Chicago, Illinois 60629

BHCH Mineral, Ltd.  
5111 Broadway  
San Antonio, Texas 78209

Wayne A. Bissett  
Post Office Box 2101  
Midland, Texas 79702

Donald E. Blackmar  
Testamentary Trust  
Post Office Box 608  
Roswell, New Mexico 88202

Branex Resources, Inc.  
Post Office Box 2328  
Roswell, New Mexico 88202

Alice Katherine Brewer  
310 Van Rowe  
Duncanville, Texas 75116

Amy Carol Brewer  
310 Van Rowe  
Duncanville, Texas 75067

Betty Ann Brewer  
311 West Wheeler  
Breckenridge, Texas 76424

Norman M. Brewer  
922 Boxwood Drive  
Lewisville, Texas 75067

Dan E. Bruhl  
1201 Summit Avenue  
Fort Worth, Texas 76102

BWAB, L.L.C.  
5111 Broadway  
San Antonio, Texas 78209

Ronald J. Byers  
2902 Stratford Drive  
Austin, Texas 78746-4629

Charles L. Carr & Vera Denney,  
as Joint Tenants with Full  
Right of Survivorship  
Rural Route 1, Box 87-1  
Birmingham, Iowa 52535-9789

Childress Royalty Company  
Post Office Box 66  
Joplin, Missouri 64802

Ruby Gibson Corley, Individual &  
Sole Heir of Felix Vernon Corley, Dec.  
2511 Willowick, Apt. #335  
Houston, Texas 77027

David Petroleum Corporation  
116 West First Street  
Roswell, New Mexico 88201

Billie S. Devoss  
15311 East La Salos Drive  
Whittier, California 90603

Charlene Miller Drennon  
5407 Vinrose Court  
Citrus Heights, California 95610

El Sol Oil Company  
a Partnership  
Post Office Box 34287  
Las Vegas, Nevada 89133

Ross L. Elliott, Jr. &  
Maurelda Elliott  
819A Lloyd Lane  
Elgin, Texas 78621

Richard R. Finlay  
4400 Williamsburg Road  
Dallas, Texas 75220-2059

Albert G. Fosmoe, Trust Member  
NBD Bank, Trustee  
Post Office Box 99084  
Fort Worth, Texas 76199-0084

Franklin Energy, L.L.C.  
5111 Broadway  
San Antonio, Texas 78209

Gallagher Headquarters  
Ranch Development, Ltd.  
5111 Broadway  
San Antonio, Texas 78209

Glenarm Royalty, L.L.C.  
475 17<sup>th</sup> Street, Suite 1600  
Denver, Colorado 80290

Twila M. Goodding, Trustee of the  
Joseph E. & Twila M. Goodding Living Trust  
1009 Crestview Circle  
Farmington, New Mexico 87401

Martha E. Hanna  
201 North Harding  
Breckenridge, Texas 76024

Robert H. Hannifin  
Post Office Box 218  
Midland, Texas 79702

Ann Alycin Hayes  
Post Office Box 89  
Archer, Florida 32618-0089

Bruce H. C. Hill  
5111 Broadway  
San Antonio, Texas 78209

Christopher C. Hill  
5111 Broadway  
San Antonio, Texas 78209

Jerald Rey Jenkins aka  
Jerrold Jenkins  
1903 Pipeline Road  
Eules, Texas 76040

Barbara J. Devoss Junker  
2929 East 6<sup>th</sup> Street, Apt. 140  
Tucson, Arizona 85716

Diane Lacey  
4809 Courtside Drive  
Fort Worth, Texas 76133-7006

Linda G. Ledbetter &  
Harry L. Ledbetter  
1451 Rockhill Court  
Fort Worth, Texas 76112

Lucinda Loveless  
Post Office Box 8  
Hondo, New Mexico 88336-0008

Nadine Prideaux Loveless  
Post Office Box 566  
Roswell, New Mexico 88202-0556

Jerry H. Mahoney  
Post Office Box 270273  
Corpus Christi, Texas 78427

Louis J. Mazzulo  
Post Office Box 66657  
Albuquerque, New Mexico 87193-6657

Charlotte McFarland  
1909 Country Club Road  
Fort Collins, Colorado 80524-1909

Michael McMillan  
McMillan Production Company  
118 West First Street  
Roswell, New Mexico 88203

Joe M. L. Melton  
Post Office Box 4203  
Midland, Texas 79704

The Methodist Home  
c/o Nationsbank of Texas, N.A. Agent  
Post Office Box 940738  
Dallas, Texas 75284-0738

Charlotte Hazel Miller  
108 Bing Crosby  
Rancho Mirage, California 92270-3025

Mary Louise Waldron Mooring  
3809 South Drive  
Fort Worth, Texas 76109

Mark Nearburg  
Nearburg Exploration Company  
Post Office Box 823085  
Dallas, Texas 75382-3085

Edsel B. Neff, Jr.  
403 Tierra Berenda  
Roswell, New Mexico 88201

Joseph Richard Nickson &  
Mary L. Nickson  
205 West 19<sup>th</sup> Street  
New York, New York 10011

Martha Nickson  
Post Office Box 10352  
Midland, Texas 79702

Nueces Royalty Partners II, Ltd.  
5111 Broadway  
San Antonio, Texas 78209

Virginia Pelletier  
#3 The Landmark  
Northfield, Illinois 60093

Thomas W. Pettit  
151 West Trinity Road  
Glenn Ellen, California 95442

Carol Pitts  
4903 Oakwood Court  
Midland, Texas 79707

Walter & Hallie Posey Trust  
c/o Norwest Bank Texas, N.A. Trustee  
Trust Division  
Post Office Box 5383  
Denver, Colorado 80217

Rebel Oil Company  
Post Office Box 788  
Hobbs, New Mexico 88241-0788

Red Wolf Partners  
5111 Broadway  
San Antonio, Texas 78209

Carolyn L. Schlicher  
Post Office Box 606  
Roswell, New Mexico 88202-0606

Fred J. Schlicher  
Post Office Box 586  
Medford, Massachusetts 02155

Sendero Ranch II Development, Ltd.  
5111 Broadway  
San Antonio, Texas 78209

Charles F. Shenoha  
2811 West Seipp  
Chicago, Illinois 60652

David R. Shipler  
Rural Route 1  
Batavia, Iowa 52533

Harold P. Shipler  
Post Office Box D  
Batavia, Iowa 52533

John D. Shipler  
8861 Bellshire Drive  
Huntington Beach, California 92646-4656

Shriner's Hospital for Crippled Children  
Post Office Box 0050  
Tampa, Florida 33655

Robert Thomas Sweatman  
7905 Vollburn Drive  
Austin, Texas 78731

Janice A. Vice  
221 Oak View Drive  
Cross Timbers Estate  
Lewisville, Texas 75067

Pamela Rhea Miller Vickers  
108 Bing Crosby  
Rancho Mirage, California 92270-3025

A. B. Waldron  
1501 Summit  
Fort Worth, Texas 76102

Robert E. Wallinder  
5749 Clinton  
Minneapolis, Minnesota 55419

Leo Wassell  
1453 76<sup>th</sup> Street  
North Bergen, New Jersey 07047

Wells Fargo Bank, Trustee of  
The Allie M. Lee Trust  
Post Office Box 1977  
Roswell, New Mexico 88202

Mary F. Whitman &  
R. William Whitman  
4325 Ridglea Country Club  
Fort Worth, Texas 76126

Katheryn Mae Waldron Wilson  
12215 Old Oaks  
Houston, Texas 77024

Wilbur D. & Afton H. Wilson  
Revocable Trust G/A/D 13.13.84  
1013 East 5400 South  
South Ogden, Utah 84405

James Hoyt Woods, Jr.  
7932 East Inverness Avenue  
Mesa, Arizona 85208

December 21, 2000

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO: ALL AFFECTED INTEREST OWNERS:

Re: *Application of Nearburg Exploration Company, for administrative approval of directional drilling and an unorthodox bottomhole well location in the Strawn formation for its Weststar "13" Well No. 1, at a point 510 feet from the North line and 2250 feet from the East line of Section 13, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico.*

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the Oil Conservation Division on this date by Nearburg Exploration Company, L.L.C. for administrative approval of directional drilling and an unorthodox bottomhole well location for its Weststar "13" Well No. 1, at a point 510 feet from the north line and 2250 feet from the East line of Section 13, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

As the owner of an interest which will be affected by the proposed well, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office within twenty days from the date this notice was sent to you. If no objection is received within twenty days after the Division Director receives this application, the unorthodox location may be approved.

Very truly yours,

William F. Carr

enc.

cc: Bob Shelton  
Nearburg Exploration Company, L.L.C.

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

01/03/01 14:14:08  
OGOMES -TQLX  
PAGE NO: 1

Sec : 13 Twp : 17S Rng : 37E Section Type : NORMAL

D 40.00	C 40.00	B 40.00	A 40.00
Fee owned	Fee owned	Fee owned	Fee owned
A	C		
E 40.00	F 40.00	G 40.00	H 40.00
Fee owned	Fee owned	Fee owned	Fee owned
	C		

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

01/03/01 14:14:12  
OGOMES -TQLX  
PAGE NO: 2

Sec : 13 Twp : 17S Rng : 37E Section Type : NORMAL

L 40.00  Fee owned	K 40.00  Fee owned	J 40.00  Fee owned	I 40.00  Fee owned
M 40.00  Fee owned	N 40.00  Fee owned	O 40.00  Fee owned	P 40.00  Fee owned
A	A		

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD    PF08 FWD        PF09 PRINT   PF10 SDIV     PF11            PF12

**RED BLUFF-BONE SPRING POOL**  
Eddy County, New Mexico

Order No. R-6876, January 1, 1982, Establishing Pool.

T-25-S, R-28-E NE/4 Sec. 27.

**WILLOW LAKE-BONE SPRING POOL**  
Eddy County, New Mexico

Order No. R-6876, January 1, 1982, Establishing Pool, as Amended by Order No. R-7048, September 1, 1982; Order No. R-7322, August 1, 1983; Order No. R-9241, August 1, 1990.

T-24-S, R-28-E N/2 N/2 Sec. 32; N/2 NW/4, NE/4 Sec. 33; N/2 Sec. 34; Secs. 35, 36.

**EAST MONUMENT-PADDOCK POOL**  
Lea County, New Mexico

Order No. R-6890, February 1, 1982, Establishing Pool.

T-19-S, R-37-E SE/4 Sec. 36.

**RHODES YATES-SEVEN RIVERS GAS POOL**  
Lea County, New Mexico

Order No. R-6891, January 1, 1982, Establishing Pool, as Amended by Order No. R-7372, November 1, 1983; Order No. R-7554, July 1, 1984; Order No. R-7858, April 1, 1985; Order No. R-9585, October 1, 1991; Order No. R-9615, December 1, 1991; Order No. R-9646, April 1, 1992; Order No. R-9723, October 1, 1992; Order No. R-11116, January 1, 1999.

T-26-S, R-37-E Sec. 4; W/2 Sec. 5; E/2 Sec. 6; N/2, E/2 SE/4, SW/4 SE/4, SE/4 SW/4 Sec. 8; Sec. 9; W/2 Sec. 10; W/2 Sec. 14; Secs. 15, 16; NE/4, E/2 W/2, E/2 SE/4 Sec. 17; N/2 & SE/4 NE/4 Sec. 21; N/2, N/2 & SE/4 SE/4, NE/2 SW/4 Sec. 22; S/2, NW/4 Sec. 23; NE/4 Sec. 26.

**ROSS DRAW-MORROW GAS POOL**  
Eddy County, New Mexico

Order No. R-6890, February 1, 1982, Establishing Pool.

T-26-S, R-30-E Sec. 27.

**SOWELL-MORROW POOL**  
Lea County, New Mexico

Order No. R-6890, February 1, 1982, Establishing Pool, as Amended by Order No. R-6967, May 1, 1982.

T-15-S, R-32-E SW/4 Sec. 2; NW/4 Sec. 11.

**EAST BOOTLEG RIDGE-MORROW GAS POOL**  
Lea County, New Mexico

Order No. R-6912, March 1, 1982, Establishing Pool, as Amended by Order No. R-7307, July 1, 1983.

T-22-S, R-33-E Sec. 15.

**EAST CUSTER-DEVONIAN GAS POOL**  
Lea County, New Mexico

Order No. R-6914, February 1, 1982, Establishing Pool, as Amended by Order No. R-7222, March 1, 1983; Order No. R-7279, June 1,

1983.

T-25-S, R-37-E NE/4, W/2 Sec. 6; NW/4, S/2 Sec. 7.

**SOUTH HUMBLE CITY-STRAWN POOL**  
Lea County, New Mexico

Order No. R-6913, March 1, 1982, Establishing Pool, as Amended by Order No. R-7372, November 1, 1983; Order No. R-8193, April 1, 1986; Order No. R-8256, July 1, 1986; Order No. R-8299, October 1, 1986; Order No. R-9194, June 1, 1990; Order No. R-10419, August 1, 1995; Order No. R-10488, November 1, 1995; Order No. R-10595, May 10, 1996.

T-17-S, R-37-E S/2 Sec. 12; N/2, E/2 SW/4 Sec. 13; NE/4 Sec. 14.

**NORTH KING-DEVONIAN POOL**  
Lea County, New Mexico

Order No. R-6912, March 1, 1982, Establishing Pool, as Amended by Order No. R-7858, April 1, 1985.

T-13-S, R-37-E N/2 Sec. 3.

**NORTH LOVING-ATOKA GAS POOL**  
Eddy County, New Mexico

Order No. R-6912, March 1, 1982, Establishing Pool, as Amended by Order No. R-7009, July 1, 1982; Order No. R-7279, June 1, 1983; Order No. R-7502, May 1, 1984; Order No. R-9171, June 1, 1990.

T-23-S, R-27-E Sec. 12; E/2 Sec. 13; E/2 Sec. 24.

T-23-S, R-28-E Secs. 4, 5, 7, 8, 9, 16, 17, 18; E/2 Sec. 19; Sec. 21; E/2 Sec. 30.

**TEAGUE-DRINKARD POOL**  
Lea County, New Mexico

Order No. R-6912, March 1, 1982, Establishing Pool.

T-23-S, R-37-E NE/4 Sec. 17.

(SOUTH PETERSON-PENNSYLVANIAN ASSOCIATED  
(FORMERLY SOUTH PETERSON-PENNSYLVANIAN)  
POOL - Cont'd.)

SPECIAL RULES AND REGULATIONS  
FOR THE  
SOUTH PETERSON-PENNSYLVANIAN ASSOCIATED POOL

RULE 2. (a) A standard oil proration unit shall be 40 acres. A standard gas proration unit shall be 320 acres.

RULE 6. That the limiting gas-oil ratio shall be 4000 cubic feet of gas for each barrel of oil produced.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the South Peterson-Pennsylvanian Associated Pool or in the Pennsylvanian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well on or before April 1, 1982.

(2) That, pursuant to Paragraph A. of Section 70-2-18, N.M.S.A. 1978 Comp., contained in Laws 1969, Chapter 271, existing oil wells in the South Peterson-Pennsylvanian Associated Pool shall have dedicated thereto 40 acres and existing gas wells shall have dedicated thereto 320 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating the appropriate acreage to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the South Peterson-Pennsylvanian Associated Pool or in the Pennsylvanian formation within one mile thereof shall receive no more than an 40-acre allowable for the pool.

(3) That the South Peterson-Pennsylvanian Associated Pool as heretofore defined and described in Roosevelt County, New Mexico, is hereby expanded to include the following described acreage:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM  
Section 30: NW/4

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM  
Section 11: S/2  
Section 12: S/2  
Section 13: N/2

(4) That the effective date of this Order and of the pool reclassification, special pool rules and pool extension included herein shall be December 1, 1981.

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

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

SOUTH HUMBLE CITY-STRAWN POOL  
Lea County, New Mexico

Order No. R-6913, Creating and Adopting Temporary Operating Rules for the South Humble City-Strawn Pool, Lea County, New Mexico, March 1, 1982, as Amended by Order No. R-6913-A, March 5, 1982.

Order No. R-7211, February 21, 1983, continues in effect the temporary rules adopted in Order No. R-6913 (continued for six months.)

Order No. R-7211-A, October 21, 1983, makes permanent the rules adopted in Order No. R-6913, as amended.

Application of Inexco Oil Company for Pool Creation, Special Pool Rules, and a Discovery Allowable, Lea County, New Mexico.

CASE NO. 7473  
Order No. R-6913

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 9 a.m. on February 3, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 5th day of March, 1982, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Inexco Oil Company, seeks the creation of a new oil pool for Strawn production, the promulgation of special pool rules therefor, including a provision for 160-acre spacing and proration units, and the assignment of 57,150 barrels of oil discovery allowable to the discovery well, applicant's Lottie York Well No. 1, located 990 feet from the South line and 660 feet from the East line of Section 14, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That although said Lottie York Well No. 1 is located within one mile of the Humble City-Strawn Pool, the geological evidence presented at the hearing does appear to indicate that said well is producing from a separate common source of supply, and that as the discovery well for said pool, the Lottie York Well No. 1, completed in the Strawn formation through perforations from 11,430 feet to 11,462 feet should be assigned an oil discovery allowable in the amount of 57,150 barrels.

(4) That although applicant has requested special pool rules for the subject pool providing for 160-acre spacing and proration units, there is insufficient evidence presently available to justify such spacing, even on a temporary basis, and said request should be denied.

(5) That there is ample evidence in the record of this case to justify the establishment of 80-acre spacing and proration units on a temporary basis, and such temporary spacing should be adopted for a period of one year.

## (SOUTH HUMBLE CITY-STRAWN POOL - Cont'd.)

(6) That such temporary rules will not cause waste nor impair correlative rights and should be approved.

(7) That during the one-year period in which this order is in effect, applicant should gather all available information relative to drainage and recoverable reserves in the subject pool.

(8) That this case should be reopened at an examiner hearing in February, 1983, at which time operators in the subject pool should appear and show cause why the subject pool should not be developed on 40-acre spacing and proration units.

## IT IS THEREFORE ORDERED:

(1) That a new pool for Strawn production, classified as an oil pool with vertical limits comprising the Strawn formation of Pennsylvanian age, is hereby created and designated as the South Humble City-Strawn Pool, comprising the following described lands in Lea County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM  
Section 14: SE/4

(2) (As Amended by Order No. R-6913-A, March 5, 1982) That the discovery well for said pool, the Inexco Oil Company Lottie York Well No. 1, located in Unit P of said Section 14 is hereby assigned an oil discovery allowable of 57,150 barrels.

(3) That special rules and regulations for the South Humble City-Strawn Pool in Lea County, New Mexico, are hereby promulgated as follows, effective March 1, 1982.

**SPECIAL RULES AND REGULATIONS  
FOR THE  
SOUTH HUMBLE CITY-STRAWN POOL**

**RULE 1.** Each well completed or recompleted in the South Humble City-Strawn Pool or in the Strawn formation within one mile of the South Humble City-Strawn Pool, and not nearer to or within the limits of another designated Strawn pool shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

**RULE 2.** Each well completed or recompleted in the South Humble City-Strawn Pool shall be located on a unit containing 80 acres, more or less, which consists of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

**RULE 3.** For good cause shown, the Director may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application if, after a period of 30 days, no

offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the South Humble City-Strawn Pool as the acreage in such non-standard unit bears to 80 acres.

**RULE 4.** Each well drilled in the South Humble City-Strawn Pool shall be located within 150 feet of the center of a governmental quarter-quarter section.

**RULE 5.** An 80-acre proration unit (79 through 81 acres) in the South Humble City-Strawn Pool shall be assigned an 80-acre depth bracket allowable of 445 barrels per day and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

## IT IS FURTHER ORDERED:

(1) That the location of all wells presently drilling to or completed in the South Humble City-Strawn Pool or in the Strawn formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well on or before April 1, 1982.

(2) That, pursuant to Paragraph A. of Section 70-2-18, NMSA 1978 Comp., existing wells in the South Humble City-Strawn Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 80 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the South Humble City-Strawn Pool or in the Strawn formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(3) That this case shall be reopened at an examiner hearing in February, 1983, at which time the operators in the subject pool may appear and show cause why the South Humble City-Strawn Pool should not be developed on 40-acre proration units.

(4) That applicant's request for 160-acre spacing and proration units is hereby denied.

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

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