



OIL CONSERVATION DIVISION
RECEIVED

1993 SEP 27 10 10 56

September 21, 1993

New Mexico Oil Conservation Division
Attention: Mr. William J. LeMay
P.O. Box 2088
Santa Fe, New Mexico 87504

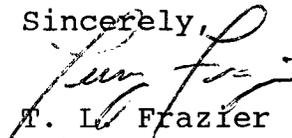
RE: NON-STANDARD PRORATION UNIT
Baker 'B' Well No. 10
South Eunice San Andres Pool
Unit Letter J, Section 10, T-22-S, R-37-E
Lea County, New Mexico

Gentlemen:

Texaco Exploration and Production Inc. respectfully requests a non-standard proration unit for the referenced well. South Eunice San Andres Pool rules require an 80 acre proration unit consisting of the N/2 or S/2 of a governmental quarter section. Permission is requested to form a non-standard 80 acre proration unit consisting of the W/2 of the SE/4 of Section 10, T-22-S, R-37-E for the subject well.

Attached is a copy of form C-102 with the proposed acreage to be dedicated to the Baker 'B' Well No. 10, a plat of the lease, and a list of offset operators that have been notified of this request by a copy of this letter.

Sincerely,


P. L. Frazier
Hobbs Area Manager

TWM/s
Attachments

File
Chrono

cc: New Mexico Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88240

Offset Operators (address list attached)

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

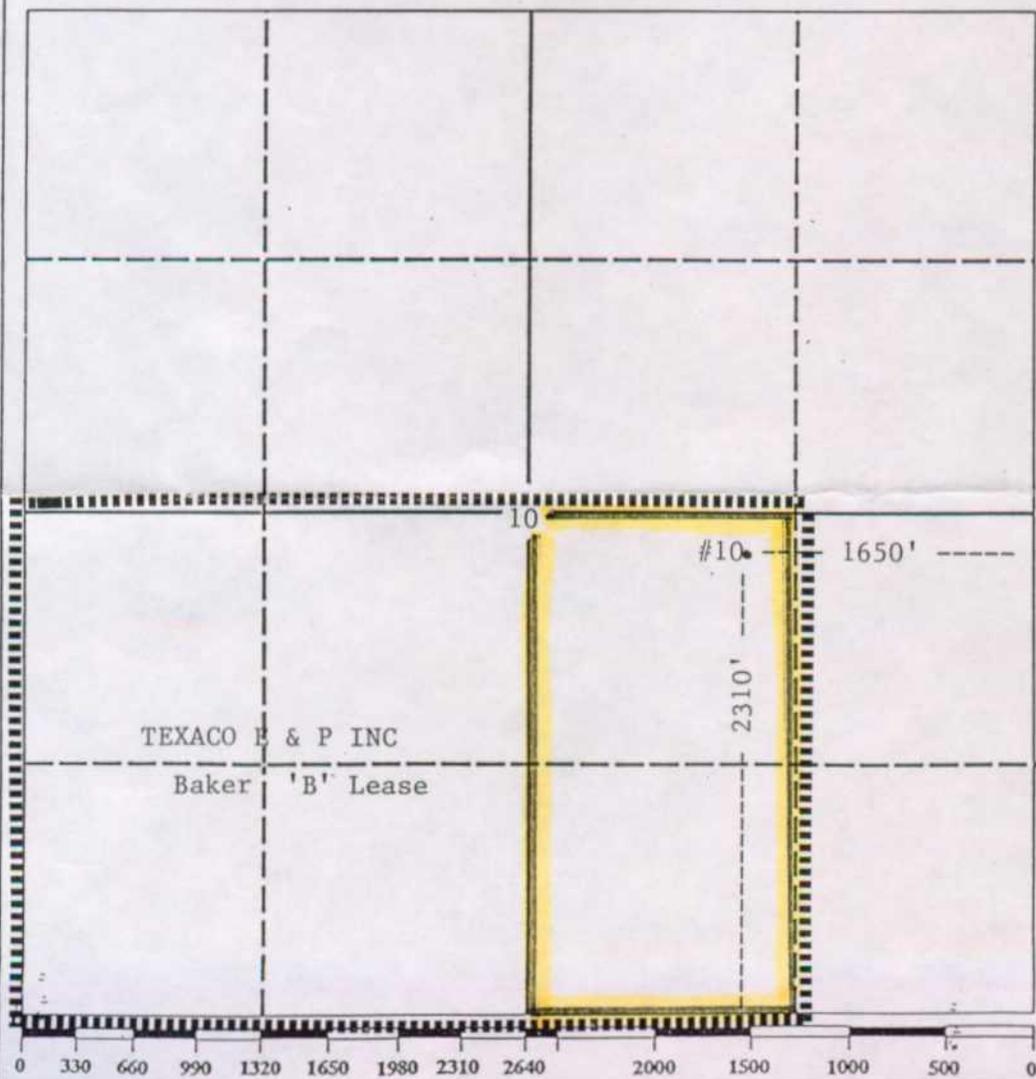
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Texaco Exploration & Production Inc.			Lease Baker 'B'		Well No. 10
Unit Letter J	Section 10	Township 22S	Range 37E	County Lea	
Actual Footage Location of Well: 2310 feet from the South line and 1650 feet from the East line					
Ground level Elev. 3450' DF	Producing Formation San Andres		Pool Eunice, South	Dedicated Acreage: 80 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

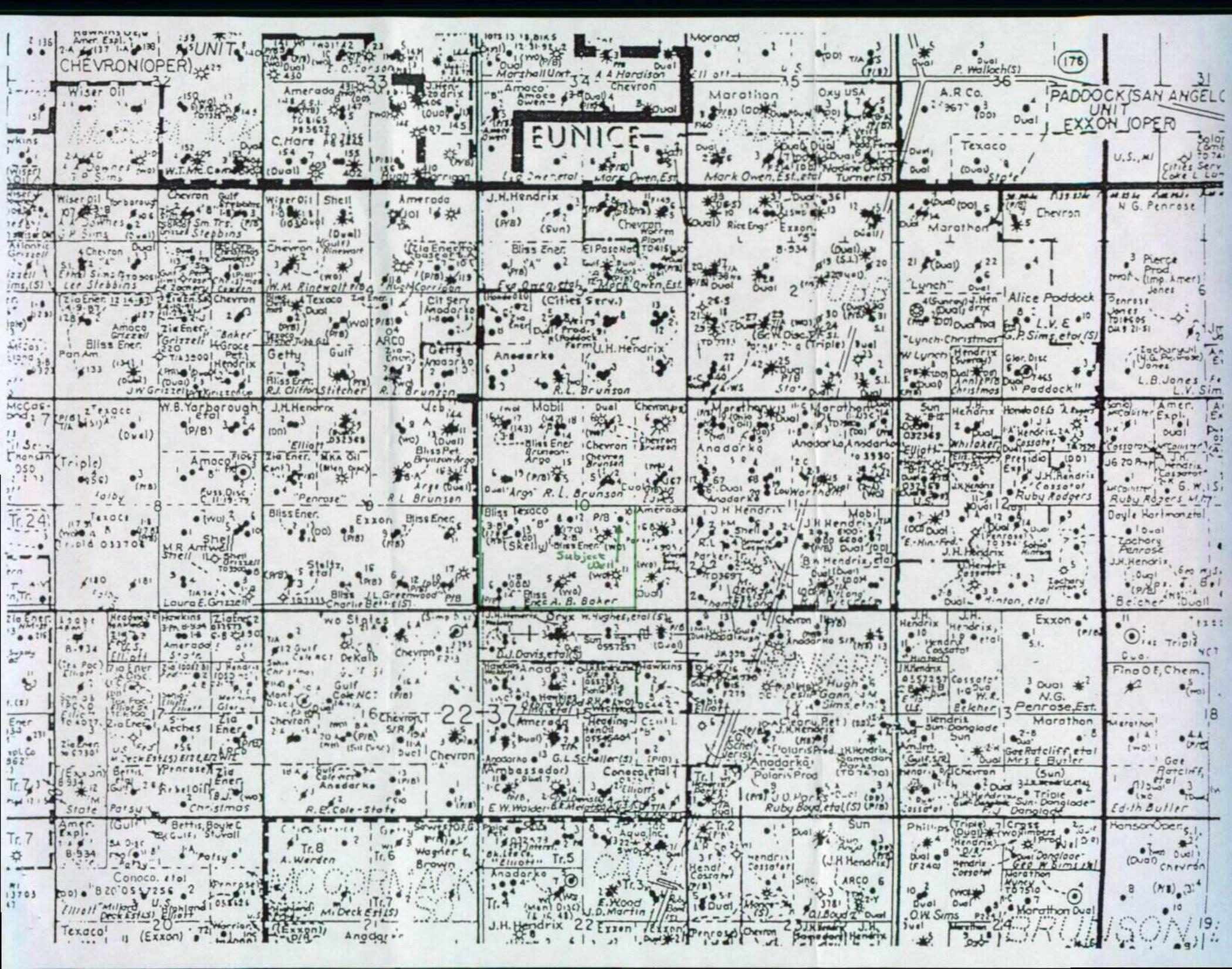


OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *L.W. Johnson*
 Printed Name: **L.W. Johnson**
 Position: **Engr. Asst.**
 Company: **Texaco E & P Inc.**
 Date: **9-22-93**

SURVEYOR CERTIFICATION
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 knowledge and belief.

Date Surveyed: _____
 Signature & Seal of Professional Surveyor: _____
 Certificate No.: _____



UNIT
CHEVRON (OPER)

EUNICE

PADOCK/SAN ANGELO
UNIT
EXXON (OPER)

Wiser Oil
Amerada
C. Hare

Amerada
J.H. Hendrix
C. Hare

Marathon
Chevron
Eunice

Marathon
Oxy USA
Texaco

A.R. Co.
Texaco

U.S. MI
Cities Serv
Lake L. Unit

Wiser Oil
Chevron
Shell

Amerada
J.H. Hendrix
Bliss Ener.

J.H. Hendrix
Bliss Ener.
El Paso Nat.

Marathon
Exxon
Rice Eng.

Marathon
Alice Paddock
Lynch

Pierce Prod.
Jones

Bliss Ener.
Pan Am
J.W. Grizzell

Getty
Gulf
Bliss Ener.

Anadarko
R.L. Brunson

Marathon
Anadarko
J.H. Hendrix

Lynch
Christmas
Glor. Disc.

L.B. Jones
L.V. Sim

Texaco
W.B. Yarborough

J.H. Hendrix
Bliss Ener.

Mobil
Bliss Ener.
Anadarko

Marathon
Anadarko
J.H. Hendrix

Marathon
Hond OEG
Whitaker

Amer. Expl.
G.W. I.S.

Texaco
Shell
Laura E. Grizzell

Bliss Ener.
Exxon
Steltz

Bliss Ener.
Exxon
Subject

J.H. Hendrix
Mobi
J.H. Hendrix

J.H. Hendrix
Exxon
Penrose

Doyle Hartman et al.
Zachary Penrose
J.H. Hendrix

Hawkins
Zia Ener.
Aeches Ener.

wo States
Chevron
Chevron

J.H. Hendrix
D.J. Davis et al.

Marathon
Anadarko
Hugh

J.H. Hendrix
Exxon
Penrose Est.

Finco OE, Chem.

Exxon
Zia Ener.
Parsy

Chevron
Chevron
R.E. Cole - State

Amerada
Conoco
E.W. Wolder

Marathon
Anadarko
Ruby Boyd et al.

Marathon
Sun
Mrs E. Blyler

Goatcliff et al.
Goatcliff et al.
Edith Butler

Amer. Expl.
Texaco
Conoco

Tr. 8
A. Warden

Tr. 5
Tr. 4
J.H. Hendrix

Tr. 2
Sun
J.H. Hendrix

Phillips
Sun
Marathon

Hanson Oden et al.
Chevron

BRUNSON

OFFSET OPERATORS

AMERADA HESS CORPORATION
Attention: Mr. Ron Mullins
Box 2040
Tulsa, OK 74102

CHEVRON U.S.A. INC.
Box 1150
Midland, TX 79702

JOHN H. HENDRIX CORPORATION
223 W. Wall, Ste 525
Midland, TX 79701

MOBIL PRODUCING TEXAS & NEW MEXICO
Box 633
Midland, TX 79702



Certified Mail
 No Insurance Coverage Provided
 Do not use for International Mail
 (See Reverse)

Sent to		Chevron U.S.A.
Street and No.		P. O. Box 1150
P. O., State, and ZIP Code.		Midland, Texas 79702
Postage		\$
Certified Fee		
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt Showing to Whom & Date Delivered		
Return Receipt Showing to Whom, Date, and Addressee's Address		
TOTAL Postage & Fees		\$
Postmark or Date		

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

CERTIFIED

P 369 424 321

MAIL



Texaco Exploration and Production

P O Box 730
 Hobbs, NM 88241-0730

Chevron U.S.A. Inc.
 P. O. Box 1150
 Midland, Texas 79702



Certified Mail
 No Insurance Coverage Provided
 Do not use for International Mail
 (See Reverse)

PS Form 3800, June 1991

Sent to		John H. Hendrix Corp.
Street and No.		223 West Wall, Ste 525
P.O., State and ZIP Code		Midland, Texas 79701
Postage		\$
Certified Fee		
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt Showing to Whom & Date Delivered		
Return Receipt Showing to Whom, Date, and Addressee's Address		
TOTAL Postage & Fees		\$
Postmark or Date		

Fold at line over top of envelope to the right of the return address.

CERTIFIED
 P 369 424 319
MAIL



Texaco Exploration and Production

P O Box 730
 Hobbs, NM 88241-0730

John H. Hendrix Corporation
 223 W. Wall, Ste 525
 Midland, Texas 79701



Certified Mail
 No Insurance Coverage Provided
 Do not use for International Mail
 (See Reverse)

PS Form 3800, June 1991

Sent to Amerada Hess Corporation	
Street and No. Attn: Mr. Ron Mullins	
P. O. Box 2040	
P. O., State and ZIP Code Tulsa, Okla. 74102	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Fold at line over top of envelope to the right of the return address

CERTIFIED

P 369 424 318

MAIL



Texaco Exploration and Production

P O Box 730
 Hobbs, NM 88241-0730

Attn: Mr. Ron Mullins

Amerada Hess Corporation
 P. O. Box 2040
 Tulsa, Oklahoma 74102



No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to Mobil Producing Texas	
Street and No. Box 633 and N.M.	
P.O., State and ZIP Code Midland, Texas 79702	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

CERTIFIED

P 369 424 320

MAIL



Texaco Exploration and Production

P O Box 730
Hobbs, NM 88241-0730

Mobil Producing Texas and New Mexico
P. O. Box 633
Midland, Texas 79702

(SOUTH EUNICE-SAN ANDRES POOL - Cont'd.)

(12) That this case should be reopened at an examiner hearing in March, 1970, at which time the operators in the subject pool should be prepared to appear and show cause why the South Eunice-San Andres Pool should not be developed on 40-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That the Humble Oil & Refining Company New Mexico State "S" Water Source Well No. 4 (CP-427), located 175 feet from the South line and 650 feet from the West line of Section 2, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby reclassified as an oil well for the production of oil from the San Andres formation.

(2) That a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production, is hereby created and designated the South Eunice-San Andres Pool, with vertical limits comprising the San Andres formation and horizontal limits comprising the following-described area:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 2: S/2 SW/4
Section 11: N/2 NW/4

(3) That the discovery well, the aforesaid Humble Oil & Refining Company New Mexico State "S" Water Source Well No. 4 (CP-427), is hereby authorized an oil discovery allowable of 21,190 barrels to be assigned to said well at the rate of 30 barrels per day in accordance with Rule 509 of the Commission Rules and Regulations.

(4) That temporary Special Rules and Regulations for the South Eunice-San Andres Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
SOUTH EUNICE-SAN ANDRES POOL

RULE 1. Each well completed or recompleted in the South Eunice-San Andres Pool or in the San Andres formation within one mile thereof, and not nearer to or within the limits of another designated San Andres oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2 or S/2 of a 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. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a governmental quarter-quarter section or lot, or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States

Public Land Surveys. 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 Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no closer than 330 feet to a quarter-quarter section line.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 2.00 for allowable purposes, 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.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the South Eunice-San Andres Pool or in the San Andres 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 Commission in writing of the name and location of the well on or before April 1, 1969.

(2) That each well presently drilling to or completed in the South Eunice-San Andres Pool or in the San Andres formation within one mile thereof shall receive a 40-acre allowable until a Form C-102 dedicating 80 acres to the well has been filed with the Commission.

(3) That this case shall be reopened at an examiner hearing in March, 1970, at which time the operators in the subject pool may appear and show cause why the South Eunice-San Andres Pool should not be developed on 40-acre spacing units.

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

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

(SAN JUAN BASIN AREA (GAS WELL TESTING RULE
AMENDMENT - ORDER NO. R-3673) -
Cont'd.)

and only insofar as said paragraph directs that in order to obtain the shut-in pressure of a well under test, the well shall be shut in immediately after the 7-day deliverability flow test for the full period of seven consecutive days and that such shut-in pressure shall be measured within the next succeeding twenty-four hours following the 7-day shut-in period.

(2) That to obtain the shut-in pressure of a well, subject to the testing requirements of said Order No. R-333-F, under test during the duration of the annual deliverability and shut-in test period for 1969, the well shall be shut in at some time during the year of 1969 for a period of seven to fourteen consecutive days. Such shut-in pressure shall be measured during the eighth to fifteenth day following shutting in of the well.

(3) That each gas transportation facility shall, in cooperation with the operators involved, prepare and submit a schedule of shut-in pressure tests in accordance with Chapter I, Section 3, provided, however, that said schedule need only be submitted prior to the shutting in of the well or wells involved.

(4) That the Aztec District Office of the Commission shall be notified of the date the shut-in pressure of a well is to be measured in order that said measurement may be witnessed.

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

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

SOUTH EUNICE-SAN ANDRES POOL
Lea County, New Mexico

Order No. R-3706, Adopting Temporary Operating Rules for the South Eunice-San Andres Pool, Lea County, New Mexico, March 12, 1969.

Order No. R-3706-A, March 11, 1970, makes permanent the rules adopted in Order No. R-3706.

Application of Humble Oil & Refining Company for the Creation of a New Oil Pool, Assignment of Discovery Allowable, and the Promulgation of Pool Rules, Lea County, New Mexico.

CASE NO. 4065
Order No. R-3706

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on March 5, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of March, 1969, 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, Humble Oil & Refining Company, is the owner and operator of the New Mexico State "S" Water Source Well No. 4 (CP-427), located 175 feet from the South line and 650 feet from the West line of Section 2, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks the reclassification of the aforesaid New Mexico State "S" Water Source Well No. 4 (CP-427) as an oil well for the production of oil from the San Andres formation.

(4) That the applicant further seeks the creation of a new oil pool for San Andres production in Lea County, New Mexico, for its aforesaid New Mexico State "S" Water Source Well No. 4 (CP-427), and the assignment of an oil discovery allowable in the amount of 21,190 barrels to said well.

(5) That the applicant further seeks the promulgation of special rules and regulations governing said pool, including a provision for 80-acre spacing units.

(6) That the evidence presently available indicates that the aforesaid New Mexico State "S" Water Source Well No. 4 (CP-427) has discovered a separate common source of supply which should be designated the South Eunice-San Andres Pool; that the vertical limits of said pool should be the San Andres formation and that the horizontal limits of said pool should be the S/2 SW/4 of said Section 2 and the N/2 NW/4 of Section 11, Township 22 South, Range 37 East, NMPM.

(7) That the aforesaid New Mexico State "S" Water Source Well No. 4 (CP-427) should be reclassified as an oil well for the production of oil from the San Andres formation.

(8) That the discovery well for the aforesaid pool, Humble Oil & Refining Company's New Mexico State "S" Water Source Well No. 4 (CP-427), is entitled to and should receive a bonus discovery oil allowable in the amount of 21,190 barrels, based upon the top perforations in said well at 4238 feet, to be assigned over a two-year period.

(9) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 80-acre spacing units should be promulgated for the South Eunice-San Andres Pool.

(10) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(11) That the temporary special rules and regulations should be established for a one-year period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

June 2, 1986

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

MEMORANDUM NO. 4-86

TO: ALL OPERATORS AND INTERESTED PARTIES

FROM: R. L. STAMETS, DIRECTOR *RLS*

SUBJECT: CLARIFICATION OF ADMINISTRATIVE APPROVAL PROCESSES IN CERTAIN
POOLS WITH SPECIAL RULES

Division Rule 1 provides in part that: "Special rules, regulations and orders have been and will be issued when requested and shall prevail as against General Rules, Regulations and Orders if in conflict therewith. However, whenever these General Rules do not conflict with special rules heretofore or hereafter adopted, these General Rules shall apply."

Over the years, many special pool rules have been written. Many of these contained special rules providing for administrative exceptions to such matters as location requirements or spacing unit size while others did not. One prevailing opinion is that the intent of those special rules without administrative exception provisions was to preclude such exceptions. The counter opinion is that when read with Rule 1, if nothing is said, then the administrative exception provisions in the General Rules shall apply.

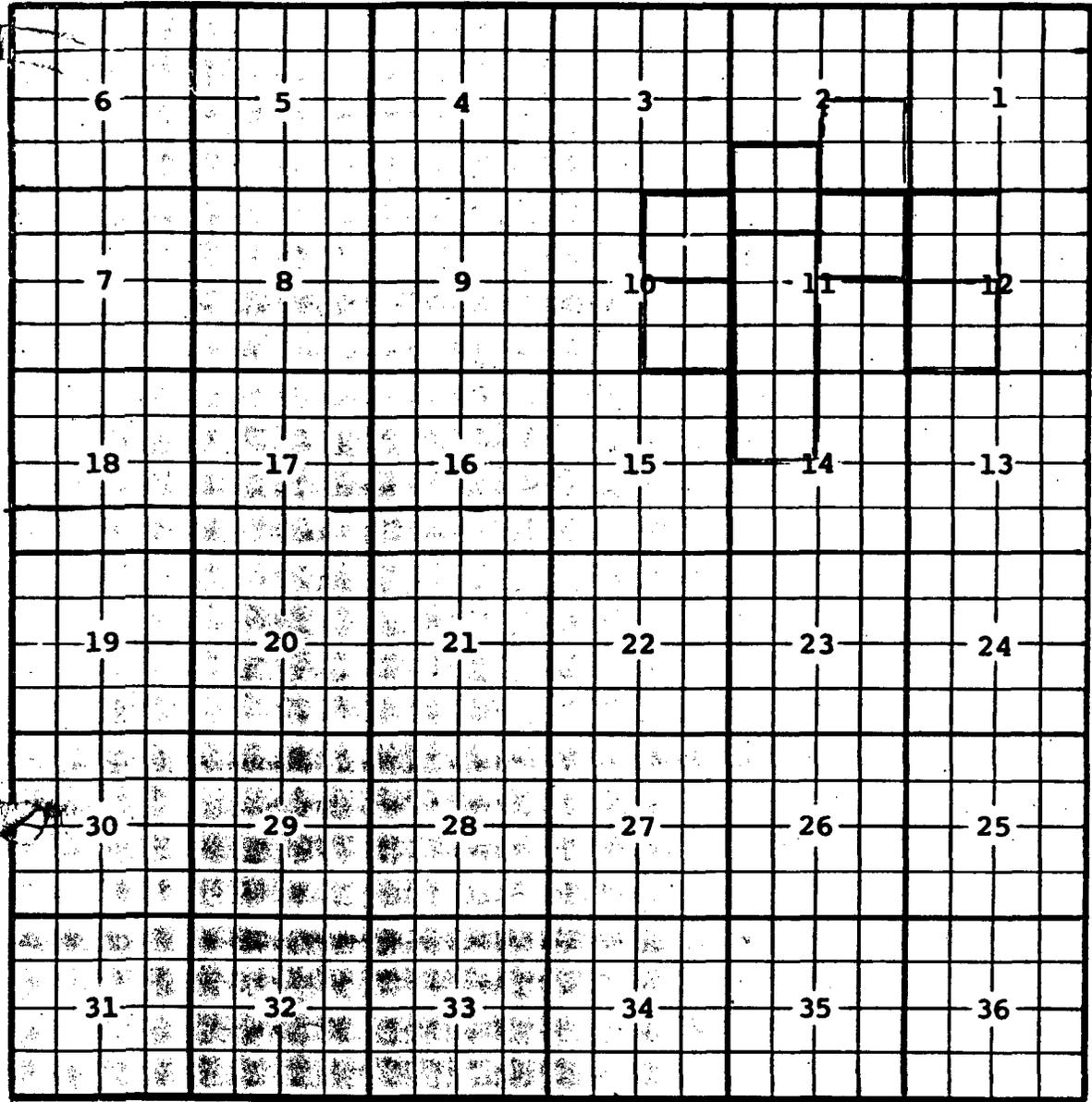
Notice is hereby provided that it is henceforth to be Division policy to utilize the administrative exceptions or approval procedures of the General Rules when special pool rules are silent as to such exceptions. This policy will save both the Division and operators the cost of unnecessary hearings.

Any person who is aware of any pool with special rules which should preclude any of the administrative exceptions or approvals provided in the General Rules should notify this office of such situation at the earliest possible date providing the reasoning for precluding administrative exceptions. Thereafter, we would suspend this policy for such pool and schedule a case to modify such special rules to incorporate the necessary prohibitions.

RLS:dp

COUNTY Lea POOL South Eunice - San Andres

TOWNSHIP 22 South RANGE 37 East NMPM



Description: $\frac{S}{2} \frac{SW}{4}$ Sec. 2, $\frac{N}{2} \frac{NW}{4}$ Sec. 11 (R-3706, 3-12-69)
 Ext: $\frac{S}{2} \frac{NW}{4}$ & $\frac{SW}{4}$ Sec. 11; $\frac{NW}{4}$ Sec. 14 (R-3895, 1-1-70) - $\frac{NE}{4}$ Sec. 11 (R-3948, 5-1-70)
 $\frac{NE}{4}$ Sec. 10 (R-4351, 8-1-72); Ext: SE/4 Sec 2 (R-4665, 12-1-73)
 EXT: NW/4 Sec 12 (A-6005, 6-1-79) EXT: SW/4 Sec. 12 (R-6170, 11-1-79)
 EXT: SE/4 Sec. 16 (R-6328, 5-1-80)

AMERADA HESS CORPORATION

LEGAL COUNSEL DIVISION

DEPT. 100

18 DE 83 AM 9 15

P. O. DRAWER "D"
MONUMENT, NEW MEXICO 88265

December 8, 1993

NMOCC
P.O. Box 2088
Santa Fe, New Mexico 87501

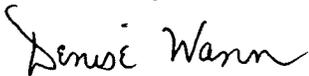
Attn: Mr. Stogner

Re: Texaco Request for Non-Standard Proration Unit
Baker "B" #10
Unit J of Section 10, T-22S, R-37E

Dear Mr. Stogner,

AHC will not object to Texaco's request on the above
mentioned well.

Sincerely,



Denise Wann

xc: NMOCD Hobbs Office
File

ALL CONCERNING THE DIVISION
RE: 10

NOV 9 1993 11 09 43

NOVEMBER 5, 1993

AMERADA HESS CORPORATION
DRAWER D
MONUMENT, NEW MEXICO 88265

NMOCC
P.O. BOX 2088
SANTA FE, NEW MEXICO 87501

ATTN: MR. STOGNER

RE: TEXACO REQUEST FOR NON-STANDARD PRORATION UNIT FOR
BAKER B #10
UNIT J, SECTION 10, T-22-S, R-37-E
LEA COUNTY, NEW MEXICO

DEAR MR. STOGNER:

AHC has received notice of Texaco's application to form an 80 acre non-standard proration unit for their Baker B #10. AHC is reviewing this request. Getty (the former operator) had originally filed for and received an 80 acre proration unit for the N/2 of the SE/4 of Section 10. This acreage included 40 acres of the Baker lease, owned and operated by AHC. Because AHC acreage has been incorrectly dedicated to the Texaco Baker B #10, located in the South Eunice San Andres Pool since 1980, AHC would like to further review this matter with Texaco before granting the non-standard proration unit.

Sincerely,



Denise Wann
Senior Petroleum Engineer

xc: NMOCD, Hobbs Office
Texaco, Hobbs Office
AHC, Tulsa
AHC, Houston
AHC, Monument



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

OIL CONSERVATION DIVISION
RECEIVED

'93 SEP 24 AM 9 01

BRUCE KING
GOVERNOR

September 24, 1993

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____
DHC	_____
NSL	_____
NSP	_____ X _____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

Texaco Expl & Prod Inc.	Baker B	#10-J	Sec. 10, T-22S, R-37E
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1