

August 12, 1991

New Mexico Oil Conservation Division P O Box 2088 Santa Fe, New Mexico 87504

Re: Unorthodox Location - Allison Penn Field Fox "C" State No. 1 Sec 36, T9S, R36E Roosevelt County, New Mexico

Gentlemen:

We request approval of the captioned drilling location. Pool rules require wells to be drilled within 150 feet of the center of a forty acre unit. This location does not meet that requirement.

The captioned well was originally drilled by Cosden Petroleum Corporation in 1959. The location was approved by NMOCC at that time which was prior to the establishment of the existing field rules.

Cosden drilled and abandoned the well prior to the main thrust of field development. Information generated by the subsequent development indicated that the well could have been productive.

Since the Allison Field is in an advanced state of depletion, the use of existing wells whenever possible is necessary to provide favorable economics. The location is directly offset by Layton Enterprises, Inc. Fox "B" State Lease No. LH-2338-1, and correlative rights will not be adversely affected.

Approval of this location will allow us to continue orderly re-development of our Allison Field Project, and prevent physical waste. Use of this existing well will also prevent economic waste incurred by additional drilling.

All offset operators are this date being notified of our request by copies of this letter. Your consideration is greatly appreciated.

Very truly yours,

LAYTON ENTERPRISES,

Donald R. Layton

President

DRL/ml1

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

<u>DISTRICT I</u> P.O. Box 1980, Hobbs, NM 88240 ✓

OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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.

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#### ALLISON-PENNSYLVANIAN POOL 15 5 500008 81 -Lea and Roosevelt Counties, New Mexico 198 1999 18

Order No. R-1389-B, Combining the Allison-Pennsylvanian and North Allison-Pennsylvanian Pools, and Adopting Rules for the Allison-Pennsylvanian Pool, Lea and Roosevelt Counties, New

Application of the Atlantic Refining Company and Application of the Atlantic Refining Company and a local description for an order combining the Allison-Pennsyl. for an order combining the Allison-Pennsylvanian and North Allison-Pennsylvanian Pools, Lea and Rossevelt Counties, New Mexico, and for the Promulgation of Special Rules and Regulations to provide for 80-acre Proration Units.

CASE NO. 1637
Order No. R-1389-B

#### ORDER OF THE COMMISSION : 34431

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on April 15, 1959, at Hobbs, New Mexico; before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," and Order No. R-1389 was entered on May 7, 1959. The case was reopened and a rehearing held on July 15, 1959, at Mabry Hall, State Capitol, Santa Fe;

New Mexico.

NOW, on this 26th day of August, 1959, the Commission, a quorum being present, having considered the application and the evidence adduced at the original hearing and at the re-

- hearing 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, The Atlantic Refining Company, seeks an order combining the Allison-Pennsylvanian Pool and the North Allison-Pennsylvanian Pool, Lea and Roosevelt Counties, New Mexico. Manager was the control of th
- That the testimony presented establishes that the wells in the Allison-Pennsylvanian Pool and the North Allison-Pennsylvanian Pool, as well as certain intervening acreage, are porducing from a single common source of supply and that said pools should be combined and designated as the Allison-Pennsylvanian Pool with the pool to encompass the acreage shown in Appendix "A" attached hereto and made a part hereof.
- (4) That the applicant further seeks the promulgation of special rules and regulations for said Allison-Pennsylvanian Pool to provide for 80-acre proration units. A line was traffi
- (5) That the applicant has proved by a preponderance of the evidence that the Allison-Pennsylvanian Pool, comprising the acreage shown in Appendix "A," can be efficiently and economically drained and developed on 80-acre proration units.
- That to require development of the Allison-Pennsylvanian Pool on 40-acre proration units might cause the drilling Transport in the state of the s of unnecessary wells.
- (7) That the evidence presented indicates that it is uneconomical to drill wells on 40-acre proration units in the Allison-Pennsylvanian Pool and to remain on such a spacing pattern might impede further development in said pool.
  - (8) That the subject application should be approved. IT IS THEREFORE ORDERED: " I will them materia land
- That Commission Order No. R-1389, dated May 7, 1959, be and the same is hereby superseded effective September 1, 1959. 3 New Yor No. 12 1944
- (2) That special rules and regulations for the Allison-Pennsylvanian Pool in Lea and Roosevelt Counties, New Mexico, with horizontal limits as described in Appendix "A," be and the same are hereby promulgated as follows effective September: 1, 1959; provided, however, that the increased allowable pro-

visions contained herein shall not become effective until October Der Osunie, Rew Mexico et alle

## THE REPORT OF ALLISON-PENNSYLVANIAN POOL

RULE 13 (Each well completed or recompleted in the Allison-Pennsylvanian Pool or in the Pennsylvanian formation within one mile of the Allison-Pennsylvanian Pool, and not nearer to nor within the limits of another designated Pennsylvanian 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 Allison-Pennsylvanian Pool shall be located in a unit containing 80 acres, more or less, which consists of the S/2, N/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting

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 initial well on any 80-acre unit in said pool shall be located within 150 feet of the center of either the NW/4 or the SE/4 of the quarter section on which the well is located. Any well which was drilling to or completed in the Allison-Pennsylvanian Pool prior to September 1, 1959, is granted an exception to the well location requirements of this Rule.

RULE 4. For good cause shown, the Secretary-Director may grant 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 or when the application is for the purpose of joining fractional lots not exceeding 20.49 acres each with a standard unit. All operators offsetting the proposed non-standard unit shall be notified of the application by registered mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the forma-

tion 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 Allison-Pennsylvanian Pool as the acreage in such non-standard unit bears to: 80 acres. insidnished macron own live sail toril

RULE 5. An 80-acre proration unit (79 through 81 acres) in the Allison-Pennsylvanian Pool shall be assigned an 80-acre proportional factor of 4.77 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.

IT IS FURTHER ORDERED:

That Operators who propose to dedicate 80 acres to a well in the Allison-Pennsylvanian Pool must file an amended Commission Form C-128 with the Hobbs District Office of the Commission by September 15, 1959, in order that the well may be assigned an 80-acre allowable on the October proration schedule. APPENDIX "A"

APPENDIX "A"

ALLISON-PENNSYLVANIAN POOL

HORIZONTAL LIMITS

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM,

ROOSEVELT COUNTY

Section 35: E/2

W/2 W/2

TOWNSHIP 9 SOUTH PANCE 26 FACE TOTAL THE STATE OF

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM,

Section 1: WZ NW/4, SW/4, E/2
Section 1: NE/4
Section 11: All

DONE at Santa Fe, New Mexico, on the day and year here-inabove designated.

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