



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

April 25, 1994

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Union Oil Company of California (UNOCAL)
P. O. Box 3100
Midland, Texas 797021

Attention: Clayton O. Carson

RE: *Application for an Unorthodox Gas Well Location and Non-Standard Gas Proration Unit.*
Federal "17-A" Well No. 2
660'FSL - 810'FEL (Unit P) of Section 17, Township 8 South, Range 38 East, NMPM, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico.

Dear Mr. Carson:

In reviewing the subject application, NMOCD records indicate a producing Bluit-San Andres oil well located to the northwest in Unit "J", being UNOCAL's Federal "17-A" Well No. 1 in which it is reported that the SW/4 NE/4 and the NW/4 SE/4 of said Section 17 is dedicated to form a non-standard 80-acre oil spacing and proration unit (please note there was no reference to an order approving this non-standard unit found).

Rule 5(b) of the "General Rules and Regulations for the Associated Oil and Gas Pools in Northwest and Southeast New Mexico/Special Rules and Regulations for the Bluit-San Andres Associated Pool", as promulgated by Division Order No. R-5353, as amended, prohibits the simultaneous dedication of any acreage to an oil well and a gas well, as it appears your application is requesting.

Should any of my information be incorrect or out-dated, please clarify. If not, you may wish to amend this application and request to dedicate other acreage other than the entire SE/4 of said Section 17.

Further, please provide me a copy of the Division Order that approved the aforementioned 80-acre non-standard oil proration unit for the No. 1 well.

Should you have any questions or comments concerning this matter, please contact me at (505) 827-5811.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Roswell