

**Jones, William V., EMNRD**

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**From:** jamesbruc@aol.com  
**Sent:** Thursday, November 08, 2012 3:35 PM  
**To:** Jones, William V., EMNRD  
**Subject:** Re: Case 14899 Melbourne NSP/CP Santo Nino; Bone Spring Pool (54600) Special Rules: R-8546 Rule 2

Will check.

-----Original Message-----

From: Jones, William V., EMNRD, EMNRD <[William.V.Jones@state.nm.us](mailto:William.V.Jones@state.nm.us)>  
To: jamesbruc <[jamesbruc@aol.com](mailto:jamesbruc@aol.com)>  
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Sent: Thu, Nov 8, 2012 3:12 pm  
Subject: Case 14899 Melbourne NSP/CP Santo Nino; Bone Spring Pool (54600) Special Rules: R-8546 Rule 2

Hello Jim,  
David Brooks gave me the green light to open a dialogue on this one with you.

Orientation of 80-acre spaced units:

Does Mewbourne have any idea about the orientation of the existing 80 acre spaced units?

I can't seem to determine this orientation or find NSP permits allowing 40 acre spacing for the wells in this pool in the N/2 of this Section.

We may need to initiate a compliance action for Chevron and Manzano LLC – asking them to declare or get an exception.

Compulsory Pooling of the 160 acres:

It seems that Chesapeake's interests in this area was summed (as part of the interests adding to 100%) by Mewbourne's landman and those interests have recently switched to Chevron U.S.A. – that confused me for a while as the wells' operator names have already been switched to Chevron. Since interests change hands all the time while lands are being pooled – at what point would Mewbourne get an assignment from Chevron as new interest owner?

Creation of the 160 acre non-standard spacing unit:

I don't believe Chevron or Chesapeake or Manzano LLC were noticed as offset operators for the notice for creation of the NSP? There are two vertical oil wells now operated by Chevron U S A, Inc. in unit letters B, G, and H in this same pool. Manzano LLC operates an oil well in this pool located just north in Unit letter C.

Multiple operators:

I was wondering about the rules for multiple operators in a spacing unit. Maybe since these are separate spacing units – just “overlapping” spacing units, then that does not apply? Gabrielle pointed out that when there is a voluntary “multi-operator” situation – the first operator must be provided noticed by the proposed new operator at the time when the APD is proposed to the District office?

Allowables:

As far as how the allowable would be allocated in a situation of high oil production from this new horizontal well, the Division should determine the orientation of the 80 acre spacing units. That could be handled after the compulsory pooling, but should it wait for that?

Could we meet to talk about this? Or should we first poll Manzano and Chevron as to the orientation of their spacing units?

Will