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May 12, 2015

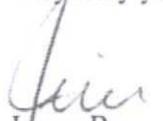
Case 15321

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Kaiser-Francis Oil Company, are an an application to abolish pool rules, together with a proposed advertisement. Please set the application for the June 11, 2015 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Kaiser-Francis Oil Company

Parties Being Notified

Endurance Resources, LLC
Suite 1000
203 West Wall
Midland, TX 79701

Chevron U.S.A. Inc.
1400 Smith Street
Houston, TX 77002

COG Operating, LLC
One Concho Center
600 West Illinois Avenue
Midland, TX 79701

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702

Cimarex Energy Co. of Colorado
Suite 600
600 North Marienfeld St.
Midland, TX 79701

Caza Operating LLC
Suite 200
10077 Grogan's Mill Rd.
The Woodlands, TX 77380

GMT Exploration Company LLC
Suite 2000
1560 Broadway
Denver, CO 80202

Mewbourne Oil Company
Suite 1020
500 W. Texas,
Midland, TX 79701

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF KAISER-FRANCIS
OIL COMPANY TO ABOLISH RULES 2
THROUGH 6 OF THE SPECIAL RULES
AND REGULATIONS FOR THE BELL
LAKE-BONE SPRING POOL, LEA
COUNTY, NEW MEXICO.

Case No. 15321

APPLICATION

Kaiser-Francis Oil Company applies for an order abolishing Rules 2-6 of the Special Rules and Regulations for the Bell Lake-Bone Spring Pool, Lea County, New Mexico, and in support thereof, states:

1. The Bell Lake-Bone Spring Pool (the "Pool") was created by Division Order R-738, and currently includes the following acreage:

Township 23 South, Range 33 East, N.M.P.M.

Section 36: All

Township 23 South, Range 34 East, N.M.P.M.

Section 31: Lots 1-4, E/2, and E/2W/2 (All)

Section 32: All

Township 24 South, Range 33 East, N.M.P.M.

Section 1: Lots 1-4, S/2N2, and S/2 (All)

Section 12: All

Township 24 South, Range 34 East, N.M.P.M.

Section 5: Lots 1-4, S/2N2, and S/2 (All)

Section 6: Lots 1-7, S/2NE/4, SE/4NW/4, E/2SW/4, and SE/4 (All)

Section 7: Lots 1-4, E/2, and E/2W/2 (All)

Section 8: All

2. Division Order R-4539, as amended, established Special Rules and Regulations for the Pool, which include:

Rule 2: Standard 160 acre well units.

- Rule 3: Non-standard well units of less than 160 acres.
- Rule 4: Wells to be located no closer than 660 feet to a quarter section line, nor closer than 330 feet to a quarter-quarter section line.
- Rule 5: Unorthodox well locations under certain circumstances.
- Rule 6: A depth bracket allowable of 470 barrels of oil per day.
- Rule 7: A limiting gas:oil ratio of 5000 cubic feet of gas per barrel of oil produced.

3. Applicant is an operator in the Pool.

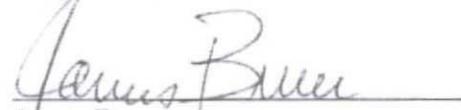
4. Applicant requests that Rules 2-6 of the Special Rules and Regulations for the Pool be abolished, and that well spacing, well locations, and the depth bracket allowable be governed in the future by the Division's statewide rules. Applicant requests that Rule 7 remain in effect.

5. **Applicant requests that all existing 160 acre well units or approved non-standard well units in the Pool be grandfathered in, unless an operator desires to change the spacing for a well unit.**

6. Approval of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order granting the relief requested above.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Kaiser-Francis Oil Company

PROPOSED ADVERTISEMENT

Case No. 15321 :

Application of Kaiser-Francis Oil Company to abolish Rules 2-6 of the Special Rules and Regulations for the Bell Lake-Bone Spring Pool, Lea County, New Mexico. The Bell Lake-Bone Spring Pool was created by Division Order R-738, and currently includes the following acreage:

Township 23 South, Range 33 East, N.M.P.M.

Section 36: All

Township 23 South, Range 34 East, N.M.P.M.

Section 31: All

Section 32: All

Township 24 South, Range 33 East, N.M.P.M.

Section 1: All

Section 12: All

Township 24 South, Range 34 East, N.M.P.M.

Sections 5-8: All

Division Order R-4539, as amended, established Special Rules and Regulations for the Bell Lake-Bone Spring Pool, providing in Rules 2-6 for 160 acre spacing, wells to be located no closer than 660 feet to a quarter section line, and a depth bracket allowable of 470 barrels of oil per day. Applicant requests that Rules 2-6 of the Special Rules and Regulations for the Bell Lake-Bone Spring Pool be abolished, so that well spacing, well locations, and the depth bracket allowable in the Pool will be governed by the Division's statewide rules, with the exception that existing 160 acre well units be grandfathered in. The Bell Lake-Bone Spring Pool is centered approximately 20-1/2 miles west-northwest of Jal, New Mexico.

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