

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF ENRON OIL & GAS COMPANY  
FOR AMENDMENT OF ORDER R-10109,  
PROMULGATING SPECIAL POOL RULES  
FOR THE RED HILLS-BONE SPRING POOL,  
LEA COUNTY, NEW MEXICO

**RECEIVED**

AUG 15 1995

Oil Conservation Division

CASE NO. 11375

**APPLICATION**

ENRON OIL & GAS COMPANY, by its undersigned attorneys, hereby makes application to the Oil Conservation Division of the State of New Mexico for the amendment of Order R-10109, which adopted Special Pool Rules and Regulations for the Red Hills-Bone Spring Pool to change the well location requirements in Rule 4 of these Special Pool Rules, to permit an additional well on each of the 80-acre spacing units, and to establish a special oil allowable of 660 barrels per day and in support of this application states:

1. The Red Hills-Bone Spring Pool was established in 1992 by Order No. R-9792 and is comprised of the E1/2 of Section 1, S1/2 of Section 12, and the N1/2 of Section 13, Township 25 South, Range 33 East, and the S1/2 of Section 6, all of Section 7, the SW1/4 of Section 8, the N1/2 of Section 17, and the NE1/4 of Section 18, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

2. Special Rules and Regulations for the Red Hills-Bone Spring Pool were

adopted by the Oil Conservation Division on March 31, 1994, by Order R-10109. Rule 4 of that Order provided that "[e]ach well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot."

3. The wells in the Red Hills-Bone Spring pool are operated under the special rules established in Order No. R-10109 with a depth bracket allowable of 490 bbls. per day and a gas allowable rate of 980 MCF per day at a 2000 to 1 Gas/Oil Ratio for a standard proration unit (79 through 81 acres).

4. Enron Oil & Gas Company is a working interest owner in this pool and the operator of all wells located therein.

5. Data acquired from the wells completed on this pool shows that, in order to prevent waste and protect correlative rights, the wells in the pool should be spaced such that they are no closer than 330 feet from the outer boundary of a quarter-quarter section.

6. Data available to Enron Oil & Gas Company shows that the development of this pool with only one well per 80-acre tract is not in some cases efficiently and effectively draining this formation thereby causing the waste of hydrocarbons.

7. When two wells are placed on each 80-acre tract, certain wells in the Bone Spring formation in this area can produce at combined rates for both wells as high as 660 barrels per day and producing wells in this pool at the currently authorized rates will result in oil ultimately being left in the ground.

8. Enron Oil and Gas Company requests that the special pool rules provide that each well should be located on a standard unit containing 80 acres, more or less, consisting of a governmental quarter section and that each well shall be located no closer than 330 feet from the outer boundary of a quarter-quarter section.

9. Enron Oil and Gas Company further requests that the special pool rules allow the drilling of an additional well on each 80-acre spacing unit.

10. Enron Oil and Gas Company further requests that the special pool rules establish a special oil allowable for the pool of 660 barrels of oil per day per standard proration unit.

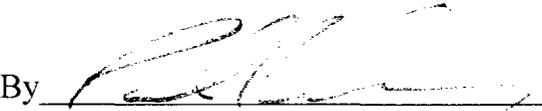
11. Approval of this application will result in the production of hydrocarbons which otherwise will not be produced and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

**WHEREFORE**, Enron Oil & Gas Company requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on September 7, 1995, and that after notice and hearing as required by law, the Division amend Order R-10109, establishing Special Pool Rules and Regulations for this pool, to provide that wells in the pool shall be located no closer than 330 feet from the outer boundary of a quarter-quarter section, to provide that an optional well may be established on each of the spacing units, and to establish a special oil allowable of 660 barrels per day per standard proration unit.

Respectfully Submitted,

CAMPBELL, CARR & BERGE, P.A.

By



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ATTORNEYS FOR ENRON OIL &  
GAS COMPANY

CASE NO. 11375 :

*and for the  
amendment of  
said order to  
permit oil  
allowable*

*Division*  
Application of Enron Oil & Gas Company <sup>to</sup> for  
Amendment of Order R-10109, Promulgating  
Special Pool Rules for the Red Hills-Bone Spring  
Pool, Lea County, New Mexico. Applicant in the  
above-styled <sup>Case</sup> ~~case~~, seeks <sup>to</sup> ~~the~~ amendment of <sup>Division</sup> ~~Order~~  
R-10109, which <sup>adopted</sup> ~~Special~~ Pool Rules and  
Regulations for the <sup>Red Hills-Bone Spring</sup> Pool,  
located in Sections 1, 12, and 13, Township 25  
South, Range 33 East, and Sections 6, 7, 8, 17,  
and 18, Township 25 South, Range 34 East,  
N.M.P.M., Lea County, New Mexico, to change  
the well location requirements in Rule 4 of these  
Special Pool Rules, to permit an additional well  
on each of the 80-acre spacing units, and to  
establish a special oil allowable of 660 barrels per  
day per standard proration unit. Said area is  
located approximately \_\_\_\_\_ miles  
\_\_\_\_\_ of \_\_\_\_\_, New Mexico.

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