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Oil Conservation Division

PROPOSED ADVERTISEMENT

Case 11660 : Application of Santa Fe Energy Resources, Inc.

for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 29, Township 23 South, Range 26 East, NMPM, and in the following manner: The E½ of Section 29 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated Frontier Hills-Strawn Gas Pool and the Undesignated South Carlsbad-Morrow Gas Pool; and the NE¼ of Section 29 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within said vertical extent. Said unit is to be dedicated to applicant's Sheep Dip Fed. Com. Well No. 1, to be drilled at an orthodox location 1980 feet from the North line and 660 feet from the East line of said Section 29. Also to be considered will be the cost of drilling and recompleting said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and the well. Said unit is located approximately 11 miles southwest of Carlsbad, New Mexico.