

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

Application of Jake L. Hamon for the creation of a new oil pool for the Oqudo Wolfcamp production from the Jake L. Hamon State E-8321 No. 1 well located in Section 4, Township 21 South, Range 35 East, N.M.P.M. and for the promulgation of temporary special rules and regulations governing said pool, including provision for 80 acre spacing.

Doc 3152

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes Jake L. Hamon, acting by and through the undersigned attorneys, and hereby makes application for the creation of a new oil pool for the Oqudo Wolfcamp production from the Jake L. Hamon State E-8321 No. 1 well located in Unit L of Section 4, Township 21 South, Range 35 East, N.M.P.M. and for the promulgation of temporary special rules and regulations governing said pool, including a provision for 80 acre spacing and in support thereof respectfully shows:

1. That there is attached hereto, made a part hereof and for purposes of identification marked Exhibit "A" a plat showing the location of the Jake L. Hamon State E-8321 No. 1 well and the ownership of the oil and gas leases covering the area surrounding said well.

2. That the Jake L. Hamon State E-8321 No. 1 well was commenced on July 5, 1964 and was completed at a total depth of 11,529 feet on October 5, 1964. That said well was dually completed as a well capable of producing in paying quantities from both the Oqudo Wolfcamp and the Oqudo Strawn zones or formations, and that it is believed that each of said zones constitutes a separate pool or reservoir. The Oqudo Wolfcamp producing zone was found at a depth of from 10,203 feet to 10,307 feet.

3. That from the best information available, it is believed that all of Section 4, Township 21 South, Range 35 East, N.M.P.M. will be productive from the Oqudo Wolfcamp zone above referred to and that said section should be included within the definition of said pool.

4. That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells and to otherwise prevent waste and to protect correlative rights, it is believed to be for the best interests of all concerned to promulgate temporary special rules and regulations providing for the development of said pool on 80 acre spacing units.

5. That because of the character of the Osudo Wolfcamp zone, it is believed that said well will effectively, efficiently and economically drain 80 acres or more, but due to the lack of production history and complete reservoir information, it is believed that it is for the best interests of all concerned that temporary special rules and regulations be established for a one year period in order to allow the operators in the pool to gather reservoir information to conclusively establish the area that can be effectively, efficiently and economically drained and developed by one well.

6. Applicant proposes that the special rules and regulations should provide that each well be located on a standard 80 acre unit comprising the N $\frac{1}{4}$, S $\frac{1}{4}$, E $\frac{1}{4}$ or W $\frac{1}{4}$ of a governmental quarter section and that the first well drilled on every standard or non-standard unit shall be located in the NW $\frac{1}{4}$ or SE $\frac{1}{4}$ of a governmental quarter section and that each such well be located within 200 feet of the center of a governmental quarter section.

7. That it is also proposed that a standard proration unit consist of from 79 to 81 acres and that each unit be assigned an 80 acre proportional factor of 5.67 for allowable purposes and that in the event there is more than one well on an 80 acre proration unit the operator may produce the allowable assigned to the unit from the wells thereon in any proportion.

It is respectfully requested that this matter be set down for hearing at the first examiners hearing after giving notice as required by applicable laws and regulations.

Respectfully submitted,

JAKE L. HAMON

HINKLE, BONDURANT & CHRISTY

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