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BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
STOLTZ & COMPANY FOR ADOPTION OF
POOL RULES FOR THE NORTH BAGLEY-
LOWER PENNSYLVANIAN POOL, LEA COUNTY,
NEW MEXICO

No. *3583*

A P P L I C A T I O N

Comes now STOLTZ & COMPANY and applies to the Oil Conservation Commission of New Mexico for the adoption of special rules and regulations for the North Bagley-Lower Pennsylvanian Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units for said pool, and in support thereof would show the Commission.

1. The Commission, by its Order No. R-2346, made permanent by Order No. R-2346-A, and by its Order No. R-2779, made permanent by Order No. R-2779-A, adopted rules and regulations for the development and operation of the North Bagley-Upper Pennsylvanian Pool and the North Bagley-Middle Pennsylvanian Pool, respectively.

2. That to insure the uniform and orderly development of the North Bagley-Lower Pennsylvanian Pool, a similar order should be adopted by the Commission providing for spacing and proration units in said pool.

3. That one well may reasonably be presumed to be capable of developing and draining a proration unit of not less than 80 acres in the North Bagley-Lower Pennsylvanian Pool.

4. That in order to prevent the waste occasioned by the drilling of unnecessary wells, and assure the greatest

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ultimate recovery of oil from the pool, the Commission should adopt an order providing for spacing and proration units of 80 acres, consisting of the North half, South half, East half or West half of any governmental quarter section, with wells to be located within 150 feet of the center of either quarter-quarter section in the 80-acre unit, together with suitable provisions for exceptions to said rules, assignment of allowables with an 80-acre proportional factor, and such other provisions as the Commission may deem proper.

WHEREFORE, applicant prays that this application be set for hearing before the Commission's duly appointed examiner, and that after notice and hearing as provided by law, the Commission enter its order providing for pool rules in accordance with this application.

Respectfully submitted,

STOLTZ & COMPANY

BY: Jason W. Kellahi
Kellahi & Fox
Post Office Box 1769
Santa Fe, New Mexico

Attorneys for Applicant