

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED
OCT 10 1955
OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY)
OPERATING PARTNERS, L.P. FOR)
COMPULSORY POOLING, EDDY COUNTY)
NEW MEXICO.)

Case No. 9797

APPLICATION

Santa Fe Energy Operating Partners, L.P. hereby makes application for an order pooling all interests from the surface to the base of the Morrow Formation underlying the N/2 of Section 20, Township 23 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant has the right and proposes to drill its Escalante 20 Fed. Com. #1 well at an orthodox location 660 feet FNL and 1980 FEL of said Section 20 to a depth sufficient to test the Morrow Formation and intends to dedicate the N/2 of Section 20 to the well.

2. Applicant has in good faith sought to join all other mineral and leasehold interest owners in the N/2 of Section 20 for the purposes set forth herein.

3. Although Applicant attempted to obtain voluntary agreements from all mineral and leasehold interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have refused to join in dedicating their acreage. Therefore, Applicant seeks an order pooling all mineral and leasehold interest owners from the surface to the base of the Morrow Formation underlying the N/2 of

Section 20, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).

4. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.

5. The pooling of all interests underlying the N/2 of Section 20 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. Applicant requests that this matter be heard at the November 1, 1989 Examiner hearing.

WHEREFORE, Applicant requests that the Division grant the relief requested above.

HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in black ink, appearing to read "Owen M. Lopez", is written over a horizontal line.

Owen M. Lopez
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Applicant Santa Fe
Energy Operating Partners, L.P.

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 740

ALBUQUERQUE, NEW MEXICO 87102-2121

(505) 768-1555

OIL CONSERVATION DIVISION

RECEIVED

89 NOV 1 AM 9.16

700 UNITED BANK PLAZA

POST OFFICE BOX 10

ROSWELL, NEW MEXICO 88202

(505) 622-6510

2800 CLAYDESTA NATIONAL BANK BUILDING

POST OFFICE BOX 3580

MIDLAND, TEXAS 79702

(915) 683-4691

1700 TEXAS AMERICAN BANK BUILDING

POST OFFICE BOX 9238

AMARILLO, TEXAS 79105

(806) 372-5569

216 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504

(505) 982-4554

October 30, 1989

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
STEVEN D. ARNOLD
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWETT*
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
ALBERT L. PITTS
THOMAS M. HNASKO
JOHN C. CHAMBERS*
THOMAS D. HAINES, JR.
FRANKLIN H. MCCALLUM*
GREGORY J. NIBERT

DAVID T. MARKETTE*
MARK C. DOW
KAREN M. RICHARDSON*
FRED W. SCHWENDIMANN
DAVID MORAN
JAMES R. MCADAMS*
JAMES M. HUDSON
MACDONNELL GORDON
REBECCA NICHOLS JOHNSON
PAUL R. NEWTON
WILLIAM P. JOHNSON
ELLEN S. CASEY
MARGARET C. LUDEWIG
PATRICIA A. WATTS*
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLOUTIER
IWANA RADEMAEKERS*
S. BARRY PAISNER
W. CRAIG BARLOW*
ROBERT W. CASE*
JAMES A. GILLESPIE
KAREN L. COLLIER*
GARY W. LARSON
STEPHANIE LANDRY

OF COUNSEL
O. M. CALHOUN
MACK EASLEY
JOE W. WOOD
STEPHEN L. ELLIOTT

CLARENCE E. HINKLE (1904-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1987)

*NOT LICENSED IN NEW MEXICO

Ms. Florene Davidson
New Mexico Oil Conservation
Division
310 Old Santa Fe Trail
Room 206
Santa Fe, New Mexico 87503

Dear Florene:

Enclosed on on behalf of Santa Fe Energy, are an original and two copies of an Amended Application in case no. 9797. Please set this matter for the November 29, 1989 Examiner Hearing. Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By: James Bruce

JB:le
Enclosures

cc: W. Thomas Kellahin

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P., FOR
COMPULSORY POOLING AND NON-
STANDARD SPACING AND PRORATION
UNITS, EDDY COUNTY, NEW MEXICO.

Case No. 9797
NOV 1 1968
OIL CONSERVATION DIVISION

AMENDED APPLICATION

Santa Fe Energy Operating Partners, L.P., hereby makes an amended application for non-standard spacing and proration units and an order pooling all interests from the surface to the base of the Morrow formation underlying all of Section 20, Township 23 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant has the right to drill, and proposes to drill, its Escalante 20 Fed. Com. No. 1 well at a standard location 1,980 feet from the North line and 1,980 feet from the West line of said Section 20, to a depth sufficient to test the Morrow formation (approximately 11,000 feet), and intends to dedicate the following acreage to the well:

(a) All of Section 20 for all pools or formations spaced on 640 acres; and

(b) The N $\frac{1}{2}$ of Section 20 for all pools or formations spaced on 320 acres.

2. Applicant has in good faith sought to join all other mineral and leasehold interest owners in Section 20 for the purposes set forth herein.

3. Although Applicant attempted to obtain voluntary agreements from all mineral and leasehold interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have refused to join in dedicating their acreage. Therefore, Applicant seeks an order pooling all mineral and leasehold interest owners from the surface to the base of the Morrow formation underlying Section 20, as described above, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).

4. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.


5. Upon information and belief, due to variations in the U.S. Public Land Surveys, Section 20 does not contain 640 acres, thus necessitating non-standard spacing and proration units for units comprising the $N\frac{1}{2}$ of Section 20 and possibly for units comprising all of Section 20.

6. The pooling of all interests underlying Section 20, as described above, and the granting of the non-standard spacing and proration units, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Applicant requests that this matter be heard at the November 29, 1989 Examiner hearing.

WHEREFORE, Applicant requests that the Division
grant the relief requested above.

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By 

James Bruce
500 Marquette, N.W.
Suite 740
Albuquerque, New Mexico 87102
(505) 768-1500

Attorneys for Applicant Santa
Fe Energy Operating
Partners, L.P.