

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY,
MINERALS AND NATURAL RESOURCES

RECEIVED

JUL 10 1990

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
SANTA FE ENERGY OPERATING PARTNERS, L.P.
FOR COMPULSORY POOLING, AN UNORTHODOX WELL
LOCATION AND FOR A NON-STANDARD SPACING OR
PRORATION UNIT, EDDY COUNTY, NEW MEXICO

CASE NO. 10012

APPLICATION

COMES NOW Santa Fe Energy Operating Partners, L.P., through its undersigned attorneys, and hereby makes application to the Oil Conservation Division pursuant to N.M.Stat.Ann. § 70-2-17 for (1) an order pooling all mineral interests in the Morrow formation and any and all other formations and/or pools developed on 320-acre spacing underlying Lots 4, 5, 6, 7 and SE/4 (S/2) of Section 12, Township 22 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, (2) a non-standard gas proration unit, and (3) an unorthodox location for its proposed well, and in support thereof would show the Division:

1. Applicant owns or represents 100% of the working interest underlying Lots 4, 5, 6, 7 and NW/4 SE/4 (S/2) of Section 12, Township 22 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and has the right to drill thereon.

2. Applicant proposes to drill a well to test the Morrow formation at a location which is 1,680 feet from the South line and 330 feet from the West line of Section 12.

3. A non-standard 332.74-acre proration unit comprising Lots 4, 5, 6, 7 and SE/4 (S/2) of Section 12 will be dedicated to the well.

4. Applicant has sought and obtained either voluntary agreement for pooling or farmout agreements from all other interest owners in the E/2 SE/4 and SW/4 SE/4 of Section 12 except for the following:

Tom Brown, Inc.
508 W. Wall Street
Suite 500
Midland, Texas 79702
Attn: Mr. Tom Brown

Barbara Fasken
303 W. Wall Street
Suite 1900
Midland, Texas 79701
Attn: Mr. Bill Patterson

Atlantic Richfield Company
P. O. Box 1610
Midland, Texas 79702
Attn: Land Department

Union Oil Company of California
SW Region Joint Venture Operations
P. O. Box 3100
Midland, Texas 79702
Attn: Land Department

5. It is necessary to drill the proposed well at the above-described location for topographical and geological reasons.

6. Said pooling of interests, the drilling of the well at the proposed location and the formation of the above-described non-standard proration unit will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

7. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the

mineral interests should be pooled, Applicant should be allowed to drill the proposed well at the above-described location, Applicant should be allowed to form the above-described non-standard spacing or proration unit, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on July 25, 1990, and that after notice and hearing as required by law, the Division enter its order (1) pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well, (2) allowing Applicant to drill the proposed well at the above-described location, (3) allowing Applicant to form the above-described non-standard spacing or proration unit, and making such other further provisions as may be proper.

Respectfully submitted,

KEMP, SMITH, DUNCAN & HAMMOND

By: 

J. Randy Turner

P. O. Box 2796

Midland, Texas 79702-2796

Telephone: (915) 687-0011

ATTORNEYS FOR SANTA FE ENERGY
OPERATING PARTNERS, L.P.