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W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

July 31, 1990

RECEIVED

JUL 31 1990

HAND DELIVERED

Mr. William J. LeMay
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

OIL CONSERVATION DIV.
SANTA FE

10957

Re: Application of Meridian Oil, Inc.
for Creation of a New Pool, Discovery
Oil Allowable and Adoption of Special
Rules and Regulations for the Young-East
Oil Pool, Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Meridian Oil, Inc. please find enclosed our application for the referenced hearing which we request be set at the next available Examiner's docket of August 22, 1990.

The following is suggested as an advertisement for the docket and newspaper publication of notice:


Application of Meridian Oil, Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above styled cause seeks the creation of a new pool, discovery oil allowable, promulgation of temporary special pool rules for the Young-East Wolfcamp Oil Pool located in Section 16, Township 18 South, Range 33 East, N.M.P.M., including a provision for 80-acre spacing. Said area is located approximately _____ miles from _____, New Mexico.

By copy of this application and letter, sent regular mail, we are notifying all interested parties within one mile of the discovery well of their right to appear at the

Mr. William J. LeMay
July 31, 1990
Page 2

hearing and to participate in the hearing, including the right to present evidence either in support of or in opposition to this application.

Very truly yours,

A handwritten signature in black ink, appearing to read "W. Thomas Kellahin". The signature is written in a cursive style with a large, sweeping initial "W".

W. Thomas Kellahin

WTK/tic
Enclosure

cc: Terry Huchton
Meridian Oil, Inc.
21 Desta Drive
Midland, Texas 79705

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF MERIDIAN OIL, INC. FOR CREATION
OF A NEW POOL, DISCOVERY OIL ALLOWABLE
AND ADOPTION OF SPECIAL RULES FOR
THE YOUNG-EAST WOLFCAMP OIL POOL,
LEA COUNTY, NEW MEXICO

10059

A P P L I C A T I O N

COMES NOW MERIDIAN OIL, INC., by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for the Adoption of Temporary Special Rules and Regulations for a new Young-East Wolfcamp Oil Pool, Lea County, New Mexico, including a provision for 80-acre spacing and in support thereof would show:

1. Applicant, Meridian Oil, Inc., drilled and completed its Mitchell "16" State No. 1 Well February 7, 1990 as a new Wolfcamp Oil Discovery in Lea County, New Mexico.
2. The discovery well is located 1650 feet from the North line and 990 feet from the East line of Section 16, T18S, R32E, N.M.P.M., and is more than one mile from the nearest Wolfcamp oil production.

3. The discovery well constitutes a new discovery of a separate common source of supply which should be designated the Young-East Wolfcamp Oil Pool.

4. The vertical limits for the Pool should be the Wolfcamp formation as found on the porosity log of the discovery well, from 10,250 feet to 10,860 feet.

5. The initial horizontal limits for the pool should be NE/4 of Section 16, T18S, R32E, N.M.P.M.

6. Special Temporary Rules and Regulations should be adopted for the pool, including the following:

(a) A provision requiring any well drilled and completed within one mile of the outer boundary of any spacing unit dedicated to the pool to be drilled and operated subject to these special rules.

(b) A provision adopting 80-acre spacing for any proration and spacing unit in the pool.

(c) A provision requiring surface locations or wells to be no further than 330 feet to the outer boundary of a governmental quarter-quarter section or lot.

(d) A top unit allowable based upon the depth bracket allowable.

7. That adoption of Temporary Special Rules should be for a period of two years and that said rules will provide for the orderly development of the pool and reduce the opportunity to drill unnecessary wells, prevent waste and protect correlative rights.

8. That a copy of this application has been sent to all those interested parties shown on Exhibit "A" attached hereto and incorporated herein by reference.

9. Applicant requests that this matter be set for hearing on the Examiner's docket now scheduled for August 22, 1990.

WHEREFORE, Applicant requests that after notice and hearing, the application be granted as requested.

Respectfully submitted:

KELLAHIN, KELLAHIN & AUBREY

By: 

W. Thomas Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504

(505) 982-4285

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MITCHELL STATE LEASE
OFFSET OPERATORS AND WORKING INTEREST OWNERS

LOCATION	OWNER/OPERATOR AND ADDRESS
NW/4 NE/4 of Section 16	Southland Royalty Company 21 Desta Drive Midland, TX 79705
NW/4 of Section 16	Kerr-McGee P.O. Box 25861 Oklahoma City, OK 73125
	Mesa P.O. Box 151 Amarillo, TX 79105
	Claremont Corporation P.O. Box 549 Claremore, OK 74018
	The Estate of John J. Redfern, Jr. Claydesta Plaza, Suite 3345 Midland, TX 79705
	Rosalind Redfern 1214 Country Club Drive Midland, TX 79701
SW/4 of Section 16	Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210
SE/4 of Section 16	Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210
SW/4 SE/4 of Section 9	Amoco Production Company Box 3092 Houston, TX 77253
SE/4 SE/4 of Section 9	Yates Petroleum Corporation Lillie M. Yates Martin Yates Estate
SW/4 SW/4 of Section 10	O. H. Berry #1 Marienfeld Place Midland, TX 79701
	Lewis Burleson Box 2479 Midland, TX 79702

Exhibit A

MITCHELL STATE LEASE
OFFSET OPERATORS AND WORKING INTEREST OWNERS
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SW/4 SW/4 of Section 10 (cont.)

Jack Huff
Box 471
Midland, TX 79702

Petro Atlas Corporation
18th St. #2908
Denver, CO 80202

F. L. Shogrin
Box 5752
Denver, CO 80217

C. Daniel Walker
Ste. 304 Entex Bldg.
Houston, TX

J. Cecil Rhodes
388 One Marienfeld Pl.
Midland, TX 79701

Lynx Petroleum Consultants, Inc.
Box 1666
Hobbs, NM 88241

N/2 NW/4 of Section 15

O. H. Berry
188 One Marienfeld
Midland, TX 79701

Lewis Burleson
Box 2479
Midland, TX 79702

Jack Huff
Western United Life Bldg.
Midland, TX 79701

Petro-Atlas Corp
18th St. #9208
Denver, CO 80202

J. Cecil Rhodes
388 One Marienfeld
Midland, TX 79701

Santa Fe Energy Operating Partners LP
500 W. Illinois Ave.
Midland, TX 79701

Frank Shogrin
Box 229
Hygiene, CO 80533

MITCHELL STATE LEASE
OFFSET OPERATORS AND WORKING INTEREST OWNERS
PAGE -3-

N/2 NW/4 of Section 15 (cont.)	C. Daniel Walker Entex Bldg., Ste. 304 Houston, TX 77002
S/2 NW/4 of Section 15	Southland Royalty Company 21 Desta Drive Midland, TX 79705
SW/4 of Section 15:	Southland Royalty Company 21 Desta Drive Midland, TX 79705
NW/4 of Section 17	Siete Oil and Gas Corporation Box 2523 Roswell, NM 88201 Curry and Thornton 905 Fort Worth Club Bldg. Fort Worth, TX 76102 George H. Hunker, Jr. P.O. Box 1137 Roswell, NM 88201
W/2 SE/4 of Section 17	Citation, 1987, II 300 West Wall St., Ste. 1012 Midland, TX 79701 Texas American Oil Corporation 415 W. Wall Midland, TX 79701 Devon Energy Corporation 1500 Mid American TWR 20 N. Broadway Oklahoma City, OK 73102
W/2 NE/4 of Section 17	Yates Petroleum Corporation 105 S. 4th Artesia, NM 88210 Atlantic Richfield Company Box 1610 Midland, TX 79702 Curry and Thornton 905 Fort Worth Club Bldg. Fort Worth, TX 76102 George H. Hunker, Jr. P.O. Box 1137 Roswell, NM 88201

MITCHELL STATE LEASE
OFFSET OPERATORS AND WORKING INTEREST OWNERS
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W/2 NE/4 of Section 17 (cont.)

Siete Oil and Gas Corporation
Box 2523
Roswell, NM 88201

SE/4 SE/4 of Section 17

Atlantic Richfield Company
Box 1610
Midland, TX 79702

W/2 SW/4 of Section 17

Conoco, Inc.
10 Desta Drive
Midland, TX 79705

Atlantic Richfield Company
Box 1610
Midland, TX 79702

William Gene McCoy