

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

August 14, 1990

RECEIVED

14 1990

Mr. William J. LeMay
Oil Conservation Division
P.O. Box 2208
Santa Fe, New Mexico 87504

OIL CONSERVATION DIVISION

10068

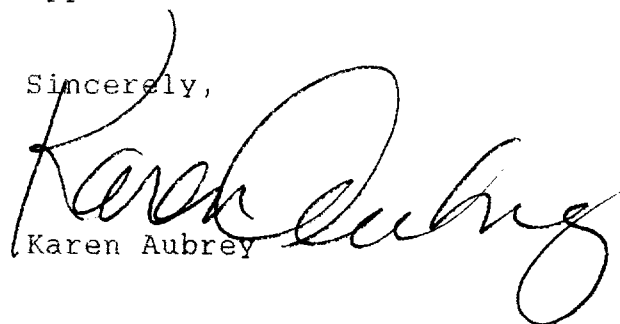
Re: Application to Limit the Application of Order R-928,
and for the Establishment of Statewide Gas Spacing, Eddy
County, New Mexico, Pacific Enterprises Oil Company (USA)

Dear Mr. LeMay:

Enclosed please find the original and one copy of an
Application by Pacific Enterprises Oil Company (USA) to
limit the application of Order R-928 and to establish
statewide gas spacing, Eddy County, New Mexico. Please set
this Application for hearing on the examiner docket on
September 5, 1990.

In accordance with N.M.O.C. Rule 1207 (4), we are
sending all operators of wells and unleased mineral owners
within one mile listed in this Application a copy of this
letter and a copy of the enclosed Application, by certified
mail, in order to notify them that they have the opportunity
to appear in support of or in opposition to the enclosed
Application.

Sincerely,


Karen Aubrey

KA/tlc
Enclosure

cc: Craig Clark
Pacific Enterprises Oil Company (USA)

All Parties listed in Paragraph 7
of Application

KELLAHIN, KELLAHIN AND AUBREY

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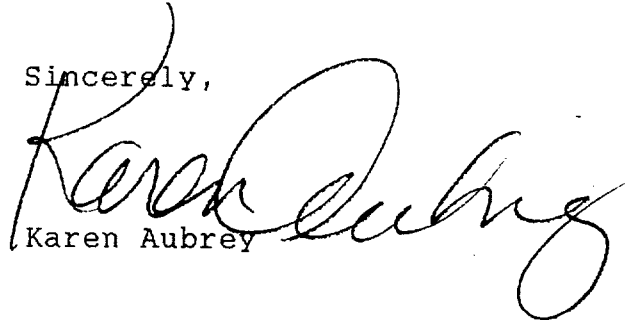
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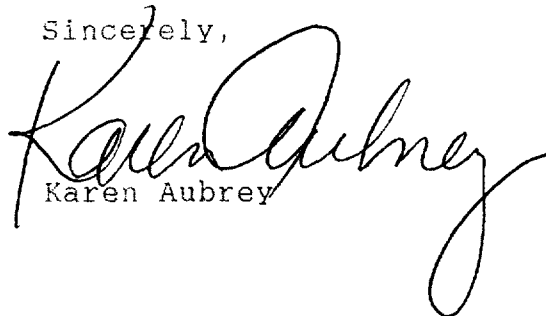
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Sincerely,


Karen Aubrey

KA/tia
Enclosure

xc: Craig Clark
Pacific Enterprises Oil Company (USA)

All Parties listed in Paragraph 7
of Application

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

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AUG 14 1990

IN THE MATTER OF THE APPLICATION
OF PACIFIC ENTERPRISES OIL COMPANY
(USA) TO LIMIT THE APPLICATION OF
NEW MEXICO OIL CONSERVATION DIVISION
ORDER NO. R-928, AND TO ESTABLISH
STATEWIDE GAS WELL SPACING, EDDY
COUNTY, NEW MEXICO.

OIL CONSERVATION DIVISION

CASE NO.

10068

A P P L I C A T I O N

COMES NOW PACIFIC ENTERPRISES OIL COMPANY (USA), by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, in accordance with statutes of the State of New Mexico, and the Rules of the New Mexico Oil Conservation Division, and applies to the New Mexico Oil Conservation Division for an order limiting the application of Order R-928 to the S/2 Section 7; W/2 Section 18; NW/4 Section 19, all in T17S, R30E, Eddy County, N.M.P.M., and to establish statewide spacing (320 acres) within one mile of the geographical limits of the Anderson-Pennsylvanian Gas Pool, including, but not limited to Section 12, T17S, R30E, Eddy County, N.M.P.M. In support of this Application, Applicant would show:

1. Applicant has the right to drill and develop the N/2 of Section 12, T17S, R30E, Eddy County, New Mexico. Said location is within one mile of, but located outside the geographical boundaries of the Anderson-Pennsylvanian Pool.

2. In the event that the Application is granted, Applicant will propose a well at a standard location, 660 FNL and 1980 FWL of said section, to a depth of approximately 11,200 feet.

3. The Anderson-Pennsylvanian Pool was established in 1956 by Order No. R-928 at a time when statewide spacing for wells of this depth was 160 acres.

4. Since 1964, statewide spacing for wells of this depth has been 320 acres.

5. If the Anderson-Pennsylvanian Gas Pool were established today, it would be spaced on 320 acres.

6. Applicant will show that wells completed at the 11,200 foot interval in Section 12, T17S, R30E, Eddy County New Mexico will drain in excess of 160 acres and should, therefore, be governed by the Statewide Rules rather than the rules for the Anderson-Pennsylvanian Pool.

7. Notice of this application to limit the application of Order R-928 and to establish statewide spacing and of applicant's request that this matter be set for hearing on August 22, 1990 has been given in accordance with N.M.O.C.D. Rule 1207(4) as follows:

Damson Oil Corporation
P.O. Box 4391
Houston, Texas 77210
Attn: Mr. Tim Dover

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762
Attn: Mr. Frank Hulse

Oryx Energy Company
P.O. Box 2880
Dallas, Texas 75221
Attn: Mr. Keith Nelson

8. In order to obtain its just and equitable share of the hydrocarbons underlying the above tract(s), Applicant needs an order pooling the mineral interests involved in order to protect Applicant's correlative rights and prevent waste.

WHEREFORE, Applicant prays that this Application be set for hearing before the Division's duly appointed examiner on September 5, 1990, and that after notice and hearing as required by law, the Division enter its order limiting the application of Order R-928 as requested and establishing statewide gas spacing in Section 12, T71S, R30E, N.M.P.M., and for such other and further relief as may be proper.

Respectfully submitted:

KELLAHIN, KELLAHIN & AUBREY

By: 

Karen Aubrey

Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10068

APPLICATION OF PACIFIC ENTERPRISES
OIL COMPANY (USA) TO LIMIT THE
APPLICATION OF NEW MEXICO OIL
CONSERVATION DIVISION ORDER NO. R-928,
AND TO ESTABLISH STATEWIDE GAS WELL
SPACING, EDDY COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by
KELLAHIN, KELLAHIN & AUBREY as required by the Oil
Conservation Division.

APPEARANCE OF PARTIES

APPLICANT
(name, address, phone
and contact person)

Craig Clark
Pacific Enterprises Oil
Company, USA
P.O. Box 3083
Midland, TX 79701
(915) 684-3861

ATTORNEY

W. Thomas Kellahin
Kellahin, Kellahin & Aubrey
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

OPPOSITION OR OTHER PARTY
(name, address, phone
and contact person)

ATTORNEY

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AUG 31 1990

OIL CONSERVATION DIV.
SANTA FE

Pre-hearing Statement
NMOCD Case No. 10068
Page 2

STATEMENT OF CASE

APPLICANT

(please make a concise statement of what is being sought with this application and the reasons therefore.)

Order limiting the Application of Order R-928 to the S/2 of Section 7, W/2 of Section 18 and the NW/4 of Section 19, T17S, R30E, Eddy County, New Mexico and to establish statewide spacing (370 acres) within one mile of the geographical limits of the Anderson-Pennsylvanian Gas Pool, including, but not limited to Section 12, T17S, R29E.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement)

PROPOSED EVIDENCE

APPLICANT

| WITNESSES (name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|----------|
| Craig Clark (landman) | 5 min, | 1 |
| Rick Ricketts (geologist) | 10 min. | 4 |
| Paul Lerwick (engineer) | 20 min. | 2 |

OPPOSITION

| WITNESSES (name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|----------|
|-----------------------------------|-----------|----------|

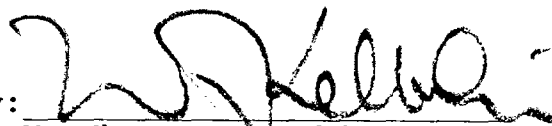
PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to the hearing)

None.

KELLAHIN, KELLAHIN & AUBREY

By:



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