

**KELLAHIN, KELLAHIN AND AUBREY**

ATTORNEYS AT LAW

EL PATIO BUILDING

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W. THOMAS KELLAHIN  
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN  
OF COUNSEL

August 13, 1990

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

RECEIVED  
AUG 14 1990  
OIL CONSERVATION DIVISION

10069

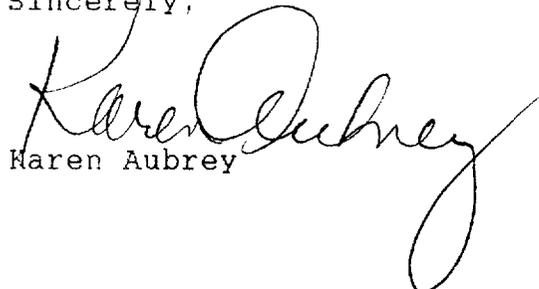
Re: Application to Limit the Application of Order R-928,  
and for the Establishment of Statewide Gas Spacing, Eddy  
County, New Mexico, Pacific Enterprises Oil Company (USA)

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  
August 22, 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

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

RECEIVED  
AUG 17 1990  
OIL CONSERVATION DIVISION

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.

CASE NO. 10069

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 SW/4 Section 15; the E/2 Section 21; and the NW/4 of Section 22, T17S. R31E, N.M.P.M., and to establish statewide spacing (320 acres) within one mile of the geographical limits of the Fren-Pennsylvanian Gas Pool, including, but not limited to Section 16, T17S, R31E, N.M.P.M. In support of this Application, Applicant would show:

1. Applicant has the right to drill and develop the E/2 of Section 16, T17S, R31E, Eddy County, New Mexico. Said location is within one mile of, but located outside the geographical boundaries of the Fren-Pennsylvanian Pool.

2. In the event that the Application is granted, Applicant will propose a well at a standard location, 1980 FNL and 1980 FEL of said section, to a depth of approximately 12,100 feet.

3. The Fren-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 Fren-Pennsylvanian Gas Pool were established today, it would be spaced on 320 acres.

6. Applicant will show that wells completed at the 12,100 foot interval in Section 16, T17S, R31E, 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 Fren-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 September 5, 1990 has been given in accordance with N.M.O.C.D. Rule 1207(4) as follows:

Exxon Company U.S.A.  
Post Office Box 1600  
Midland, Texas 79702

Texaco, Inc  
P.O. Box 2100  
Denver, Colorado 80202  
Attn: Mr. Dave Sleeper

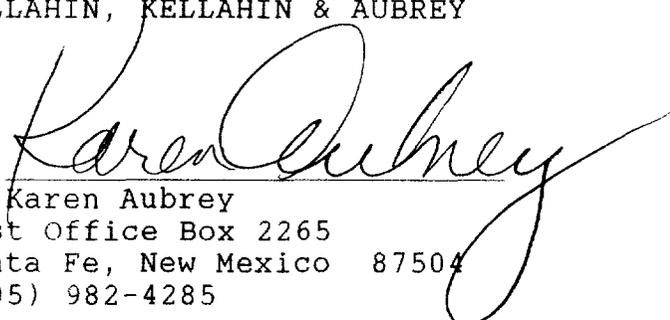
8. In order to obtain its just and equitable share of the hydrocarbons underlying the above tract(s), Applicant needs an order pooling the mineral interests involved in order to protect Applicant's correlative rights and prevent waste.

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 16, T71S, R31E, 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

**KELLAHIN, KELLAHIN AND AUBREY**

ATTORNEYS AT LAW

EL PATIO BUILDING

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W. THOMAS KELLAHIN  
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN  
OF COUNSEL

**RECEIVED**

September 11, 1990

SEP 11 1990

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

**OIL CONSERVATION DIVISION**

*Case 10069*

Re: Amended Application to Limit the Application of Order R-928, or in the alternative for the Establishment of Statewide Gas Spacing for the Fren-Pennsylvanian Pool, Eddy County, New Mexico, Pacific Enterprises Oil Company (USA)

Dear Mr. LeMay:

Enclosed please find the original and one copy of an Amended Application by Pacific Enterprises Oil Company (USA) to limit the application of Order R-928 or to establish statewide gas spacing for the Fren-Pennsylvanian Pool, Eddy County, New Mexico. This case was heard at the hearing held on September 5, 1990 and continued to October 3, 1990 to advertise the alternative relief sought. In the absence of objection, we would request on October 3rd that the case be taken under advisement and decided based upon the record received on September 5th.

In accordance with N.M.O.C. Rule 1207 (4), we are sending all operators of wells 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,



W. Thomas Kellahin

WTK/tic  
Enclosure

Mr. William J. LeMay

Mr. William J. LeMay  
September 11, 1990  
Page 2

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

RECEIVED

SFP 11 1990

OIL CONSERVATION DIVISION

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, OR IN THE ALTERNATIVE  
TO ESTABLISH STATEWIDE GAS WELL SPACING  
FOR THE FREN-PENNSYLVANIAN GAS POOL,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 10069

FIRST AMENDED  
APPLICATION

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 SW/4 Section 15; the E/2 Section 21; and the NW/4 of Section 22, T17S, R31E, N.M.P.M., and to establish statewide spacing (320 acres) within one mile of the geographical limits of the Fren-Pennsylvanian Gas Pool, including, but not limited to Section 16, T17S, R31E, N.M.P.M., or in the alternative

establish statewide gas well spacing for the Fren-Pennsylvanian Gas Pool. In support of this Application, Applicant would show:

1. Applicant has the right to drill and develop the E/2 of Section 16, T17S, R31E, Eddy County, New Mexico. Said location is within one mile of, but located outside the geographical boundaries of the Fren-Pennsylvanian Pool.

2. In the event that the Application is granted, Applicant will propose a well at a standard location, 1980 FNL and 1980 FEL of said section, to a depth of approximately 12,100 feet.

3. The Fren-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 Fren-Pennsylvanian Gas Pool were established today, it would be spaced on 320 acres.

6. Applicant will show that wells completed at the 12,100 foot interval in Section 16, T17S, R31E, 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 Fren-Pennsylvanian Pool.

7. Notice of this application to limit the application of Order R-928, or in the alternative to establish statewide spacing for the Fren-Pennsylvanian Pool and of applicant's request that this matter be set for hearing on September 5, 1990 has been given in accordance with N.M.O.C.D. Rule 1207(4) as follows:

Exxon Company U.S.A.  
Post Office Box 1600  
Midland, Texas 79702

Texaco, Inc  
P.O. Box 2100  
Denver, Colorado 80202  
Attn: Mr. Dave Sleeper

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 October 3, 1990, and that after notice and hearing as required by law, the Division enter its order as requested and for such other and further relief as may be proper.

Respectfully submitted:

KELLAHIN, KELLAHIN & AUBREY

By:

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

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