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April 15, 1985

RECEIVED

APR 1 1985

OIL CONSERVATION DIVISION

Mr. Richard L. Stamets  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

"Hand Delivered"

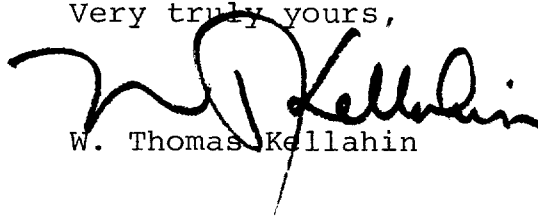
Re: APC Operating Partnership  
Lobo-Caudill Wolfcamp Pool

Case 8595

Dear Mr. Stamets:

On behalf of APC Operating Partnership please set the enclosed application for the examiner hearing now scheduled for May 8, 1985.

Very truly yours,



W. Thomas Kellahin

WTK:ca  
Enc.

cc: APC Operating Partnership  
1700 Lincoln Street  
Suite 4900  
Denver, Colorado 80202-4549  
Attn: Ms. Karen Ball

Enstar Petroleum, Inc.  
P. O. Box 3546  
Midland, Texas 79701  
Attn: Mr. Louis Torrans

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

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APR 1 1955

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF APC OPERATING PARTNERSHIP FOR  
CREATION OF NEW WOLFCAMP OIL  
POOL, WITH SPECIAL POOL RULES  
INCLUDING 80-ACRE SPACING AND  
PRORATION UNITS, LEA COUNTY,  
NEW MEXICO.

CASE: 8595

A P P L I C A T I O N

Comes now APC OPERATING PARTNERSHIP by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for the creation of a new Wolfcamp oil pool with Special Pool Rules including provisions for 80 acre spacing and proration units, and in support thereof would show:

1. Applicant is the operator of the Gilliam Well #1 located in Unit I being the NE/4SE/4 of Section 2, T15S, R36E, NMPM. *E/2 SE/4*

2. That the Gilliam Well #1 is a development well for a new Wolfcamp oil pool.

3. That Enstar Petroleum, Inc. (Union Texas Petroleum Corporation) is the operator of the Scott #1 well located in Unit L being the NW/4SW/4 of Section 1, T15S, R36E, NMPM, which also produces oil from the proposed new Wolfcamp Oil Pool. *W/2 SW/4*

4. That Enstar Petroleum, Inc. (Union Texas Petroleum Corporation) joins in and supports the applicant herein.

5. That applicant believes that the creation of a new pool in the Wolfcamp formation with the adoption of Special Pool Rules including a provision for 80-acre spacing and proration units for a temporary period of one year will be the most efficient and effective method in which to promote the development of said pool and avoid the drilling of unnecessary wells.

6. Applicant proposes that the Special Pool Rules include, but not be limited, to the following:

(a) well locations not closer than 330 feet to any side boundary of an 80-acre proration and spacing unit;

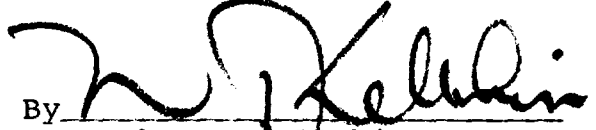
(b) no more than one well per 80-acre proration and spacing unit;

(c) proration and spacing units to consist of either the N/2; S/2; W/2; or E/2 of any governmental quarter section.

7. That approval of the application will be in the best interest of conservation, the prevention of waste, the protection of correlative rights and will avoid the drilling of unnecessary wells.

WHEREFORE, applicant requests that this application  
be granted after notice and hearing.

Respectfully submitted,

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

By  
W. Thomas Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87501

RECEIVED

MAR 1 1988

BEFORE THE

OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

Case No. 8793  
Order R-8153

APPLICATION OF UNION TEXAS  
PETROLEUM CORPORATION FOR A  
NON-STANDARD SPACING AND  
PRORATION UNIT, LEA COUNTY,  
NEW MEXICO.

APPLICATION FOR REHEARING

Comes now, UNION TEXAS PETROLEUM CORPORATION, a party of record adversely affected by Order R-8153, and hereby moves the Commission pursuant to Section 70-2-25, N.M.S.A. (1978 Comp.) for rehearing in the above-referenced case, and in support thereof states:

A. Order R-8153 is arbitrary, capricious, unreasonable and contrary to law. Order R-8153 is contrary to the statutory duties of the Oil Conservation Commission to protect the correlative rights of interest owners in the NW/4 SW/4 of Section 1, Township 15 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and the Scott No. 1 Well located thereon for it requires each interest owner in this acreage to reduce their interest in the Scott No. 1 Well by 50% by sharing the production from the NW/4 SW/4 of Section 1 with the owners of acreage which was shown by uncontroverted evidence at the time of hearing to be outside