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BEFORE THE AUG 2 1985 OIL CONSERVATION DIVISION AUG 2 1985 NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS ONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF MESA PETROLEUM CO. FOR SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO.

Case 5675

APPLICATION

Comes now MESA PETROLEUM CO., by its undersigned attorneys, and hereby makes application for an order promulgating special pool rules for the Northeast Eidson-Mississippian Pool as a result of the discovery of hydrocarbons in the Mississippian formation in its Townsend State Com. No. 1 Well located in Unit J of Section 3, Township 16 South, Range 35 East, Lea County, New Mexico, and for promulgation of special pool rules, including a special gas-oil ratio of 4,000 to 1, and in support of this application would show the Division:

1. Applicant has recently completed its Townsend State Com. No. 1 Well in the Mississippian formation capable of producing oil and gas in paying quantities located 3806 feet from the North line and 2173 feet from the East line of Section 3, Township 16 South, Range 35 East, Lea County, New Mexico. Said well is producing 159 barrels of oil per day and 556 mcf of gas per day with no produced water through perforations from 12,208 feet to 12,215 feet.

2. The Oil Conservation Division has proposed the creation of the Northeast Eidson-Mississippian Pool (Case 8670 (a)) to be comprised of the following described lands:

- 1 -

Township 16 South, Range 35 East, N.M.P.M. Section 3: Lots 9, 10, 15 and 16

3. Applicant requests that special pool rules be promulgated for this pool including a special gas-oil ratio limitation of 4,000 cubic feet of gas for each barrel of oil produced pursuant to Rule 506(d) of the Division's Rules and Regulations.

WHEREFORE, Mesa Petroleum Co. requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on August 14, 1985, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully submitted,

CAMPBELL & BLACK, P By '

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ATTORNEYS FOR MESA PETROLEUM CO.