

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS  
MICHAEL H. FELDEWERT

JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE (505) 988-4421  
TELECOPIER (505) 983-6043

June 2, 1992

RECEIVED

JUN 02 1992

OIL CONSERVATION DIVISION

10494

HAND-DELIVERED

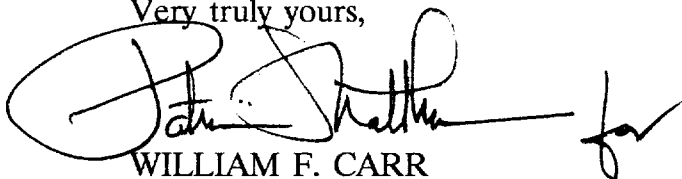
William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Union Oil Company of California d/b/a UNOCAL, for Pool Contraction, Pool Creation and Special Pool Rules, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Union Oil Company of California d/b/a Unocal in the above-referenced case. Union Oil Company of California d/b/a Unocal respectfully requests that this matter be placed on the docket for the June 25, 1992 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: Mr. Tom Morrow  
Union Oil Company of California

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF UNION OIL COMPANY OF CALIFORNIA  
d/b/a UNOCAL, FOR POOL CONTRACTION,  
POOL CREATION AND SPECIAL POOL RULES,  
LEA COUNTY, NEW MEXICO.

RECEIVED

JUN 07 1967

OIL CONSERVATION DIVISION

CASE NO. 10494

APPLICATION

UNION OIL COMPANY OF CALIFORNIA d/b/a UNOCAL, by its undersigned attorneys, hereby makes application for contraction of the vertical limits of the Red Hills-Pennsylvanian Gas Pool, creation of a new pool in the Upper Atoka formation, and the promulgation of Special Pool Rules for this new pool, including provisions for 640-acre spacing and in support of this application states:

1. By Order No. R-2827 entered in Case 3159 on December 7, 1964, the Oil Conservation Division ("Division") created the Red Hills-Pennsylvanian Gas Pool. This pool has been extended from time to time and now includes the following lands in the Pennsylvanian formation:

**Township 25 South, Range 33 East, N.M.P.M.**

Sections 31 through 33: All

**Township 26 South, Range 33 East, N.M.P.M.**

Sections 4 through 6: All

2. By Order No. R-2350 entered in Case 2671 on October 24, 1962 the Division approved the Red Hills Unit Agreement which unitized all formations. Unocal is the operator of the Red Hills Unit.

3. Special Pool Rules and Regulations which provide for 640-acre spacing units have been promulgated for the Red Hills-Wolfcamp Gas Pool (Case No. 3158, Order No. R-3073 dated June 2, 1966) and the Red Hills-Devonian Gas Pool (Case No. 6670, Order No. R-6183 dated November 28, 1979).

4. Unocal operates the Red Hills Unit Well No. 3 located 1980 feet from the South line and 2180 feet from the West line of Section 5, Township 26 South, Range 33 East. This well was drilled in 1983 and completed in the Devonian formation with a 640-acre spacing unit comprised of Section 5 dedicated to it. The Devonian has been depleted and the well recently has been recompleted in an Atoka Sand through a perforated interval from 14,528 feet to 14,545 feet.

5. This Atoka Sand in the Red Hills Unit Well No. 3 is a new and separate source of supply not productive in offsetting wells.

6. The data on the Red Hills Well No. 3 demonstrates that one well can drain this formation.

7. The vertical limits of the Red Hills-Pennsylvanian Pool currently include the entire Pennsylvanian formation.

8. Unocal requests that the vertical limits of the Red Hills-Pennsylvanian Gas Pool be contracted to include the interval from the top of the lower Atoka lime to the base of the Morrow formation and that a new pool in the Upper Atoka formation be created to include the interval from the top of the Atoka to the top of the lower Atoka lime.

9. Unocal further requests that Special Pool Rules and Regulations for the proposed new Upper Atoka Pool be established including provisions for 640-acre spacing units and special well location requirements which provide that no well shall be located nearer than 1650 feet to the outer boundary of the section nor nearer than 330 feet to any governmental quarter-quarter section line.

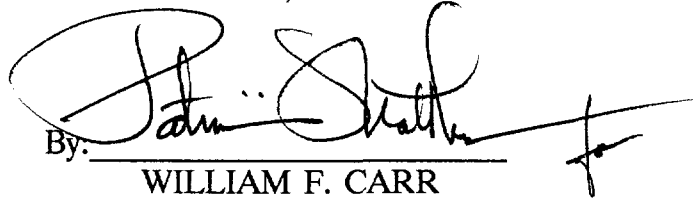
10. Due to the limited extent of this new Upper Atoka Gas Pool, Unocal requests that the pool boundaries be limited to Section 5, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico and that the Special Pool Rules promulgated for this pool be limited in their application to the pool boundaries.

11. Approval of this application by contraction of the vertical limits of the Red Hills-Pennsylvanian Gas Pool, the creation of a new pool in the Upper Atoka formation and the adoption of Special Pool Rules and Regulations for this new pool including provisions for 640-acre spacing units is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Union Oil Company of California d/b/a Unocal requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on June 25, 1992, and that, after notice and hearing as required by law and the rules of the Division, this application be granted.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR UNION OIL  
COMPANY OF CALIFORNIA  
d/b/a UNOCAL



COUNTY *Lea* POOL *Red Hills - Pennsylvanian Gas*

TOWNSHIP *26 South* RANGE *33 East* NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

*Description: All Sec. 4, 5 & 6 (R-2827, 12-7-64)*

---



---



---



---



---



---



---



---



---



---



---



---

