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July 6, 1993

10775

RECEIVED
JUL 6 1993

*NOT LICENSED IN NEW MEXICO

Florene Davidson
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503

Dear Florene:

Enclosed are an original and two copies of an application filed on behalf of Santa Fe Energy Operating Partners, L.P., together with a proposed advertisement. Please set this case for the July 29 hearing. Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

James Bruce
James Bruce

Enclosures

VIA HAND DELIVERY

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P. FOR AN
UNORTHODOX INFILL GAS WELL LOCATION
AND SIMULTANEOUS DEDICATION, EDDY
COUNTY, NEW MEXICO.

No. 10775

APPLICATION

Santa Fe Energy Operating Partners, L.P. ("Santa Fe"), for its application, states:

1. Santa Fe is the operator of the S $\frac{1}{2}$ of Section 1, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

2. Santa Fe operates the Malaga Fed. 1 No. 1 Well ("the No. 1 Well"), located 1,980 feet FWL and 660 feet FSL, to which the S $\frac{1}{2}$ of Section 1 is dedicated. The No. 1 Well is completed in and is producing from the Atoka formation (Malaga-Atoka Gas Pool).

3. Santa Fe requests permission to drill an infill well in the SE $\frac{1}{4}$ of Section 1 to test the Atoka formation, designated as the Malaga Fed. 1 No. 2 Well ("the No. 2 Well"), and to dedicate the S $\frac{1}{2}$ of Section 1 to the No. 1 Well and the No. 2 Well. Santa Fe also requests permission to produce both the No. 1 Well and the No. 2 Well continuously and concurrently. Therefore, Santa Fe requests an exception to Division Rule 104(C)(2)(b).

4. Santa Fe also requests an unorthodox location of 1,980 feet FSL and 660 feet FEL for the No. 2 Well.

5. The granting of this application is in the interests of conservation, will prevent waste, and will protect correlative rights.

6. Santa Fe requests that this matter be heard at the July 29, 1993 Examiner hearing.

WHEREFORE, Santa Fe requests that the Division grant the relief requested above.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

James Bruce
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Attorneys for Santa Fe Energy
Operating Partners, L.P.

PROPOSED ADVERTISEMENT

Case No. 10775: Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox infill gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1,980 feet from the South line and 660 feet from the East line (Unit I) of Section 1, Township 24 South, Range 28 East, Malaga-Atoka Gas Pool. Further, the applicant seeks an exception to Division General Rule 104.C(2) to allow the existing 320-acre gas spacing and proration unit comprising the S $\frac{1}{2}$ of said Section 1 to be simultaneously dedicated in the Malaga-Atoka Gas Pool to the proposed well and to the existing Malaga Federal 1 Well No. 1 located at a standard gas well location 660 feet from the South line and 1,980 feet from the West line (Unit N) of said Section 1. Said unit is located approximately _____ miles _____ of Malaga, New Mexico.

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