



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARPENTERS
GOVERNOR

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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
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RECEIVED

DEC 12 '88

O. C. D.

ARTESIA, OFFICE

December 2, 1988

Hinkle, Cox, Eaton, Coffield & Hensley
500 Marquette, NM
Suite 740
Albuquerque, NM 87102-2121

Attention: James Bruce

RE: Case No. 9342, The application
of the Petroleum Corporation
of Delaware for Simultaneous
Dedication and to amend
Division Administrative Order
NSP-1290, Eddy County, New
Mexico.

Dear Mr. Brwee:

I am in receipt of your letter dated November 30, 1988 concerning the subject case heard on March 30, 1988 and taken under advisement on April 27, 1988. I am still in need of additional information before further action can be considered.

For the existing Superior Federal Well no. 6, it is my understanding that this well is presently completed in and producing from the East Burton Flat-Strawn Gas Pool, the Undesignated East Burton Flat-Rloka Gas Pool and the East Burton Flat-Morrow Gas Pool all of which are or should be dedicated to lots 6 and 7, the W/2 SW/4, and the SE/4 of Section 6, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. Please submit to me information, preferably a detailed schematic, showing how this well is completed: are all three zones completed separately, or are the two lower zones downhole commingled or are all three zones downhole commingled. If any zones are presently downhole commingled, please refer to the Division Order authorizing such, if there is no order, authorization for such should be obtained when this case is reopened.

Also, please submit data, preferably a schematic, showing the proposed completion of the Superior Federal Well No. 7; any proposal for multiple completion and/or downhole commingling can be sought at the reopened hearing.

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In conclusion, there has been a strict policy change at the Division concerning simultaneous dedication of wells in unprorated pools, see attached copy of the July 27, 1988 Memorandum. Please be prepared to submit adequate testimony concerning this matter for all of the zones involved. If you decide to drop the idea of drilling the second well on the subject non-standard proration unit, please contact me.

We can decide at that time what requirements are needed to bring the existing well into compliance with the Division's Rules and Regulations.

Sincerely,

Michael E. Stogner
Chief Hearing Officer

MES/ag

cc: Oil Conservation Division - Artesia
Case File: 9342
Vic Lyon

*Cecilie w/Blum said the #7
had not come thru. @ 4:30 12/12/88*