

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION 2040 S. PACHECO SANTA FE, NEW MEXICO 87505 (505) 827-7131

March 14, 1995

RECEIVED MAR 17 1995 OIL CON, DIV, DIST. 2

Chevron U.S.A. Inc. P.O. Box 1150 Midland, Texas 79702

Attention: James Pritchett

RE: Applications for Simultaneous Dedication East Herradura Bend Delaware Pool Lentini "1" Federal Well Nos. 22 and 23 Section 1, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

Dear Mr. Pritchett:

Per your letters dated February 24 and 27, 1995 requesting the simultaneous dedication of oil production from two wells on each of the following two existing oil spacing and proration units in the East Herradura Bend Delaware Pool:

- a 39.65-acre unit comprising Lot 3 (Unit C) of said Section 1 in which is presently dedicated to the Lentini "1" Federal Well No. 2 (API No. 30-025-27534), located at a standard oil well location 330 feet from the North line and 1650 feet from the West line of said Section 1; and,

- a standard 40-acre unit comprising the SE/4 NW/4 (Unit F) of said Section 1 in which has dedicated to it the Lentini "1" Federal Well No. 5 (API No. 30-025-27565), located at a standard oil well location 1650 feet from the North line and 1725 feet from the West line of said Section 1.

The two proposed wells requested in your letter are to both be drilled at standard oil well locations pursuant to Division General Rule 104.C(1)(a):

- the Lentini "1" Federal Well No. 22 to be drilled 990 feet from the North line and 2310 feet from the West line (Lot 3/Unit C) of said Section 1, which is to share the allowable assigned the 39.65-acre unit comprising Lot 3; cnd, Chevron U.S.A. Inc. March 14, 1995 page 2

> - the Lentini "1" Federal Well No. 23 to be drilled 2190 feet from the North line and 2285 feet from the West line (Unit F) of said Section 1, which is to share the allowable assigned the 40 acres comprising the SE/4 NW/4.

Said Division General Rule 104.C(1)(a) also provides for the drilling of one to four wells on a single 40-acre oil tract, if more than one well is producing from a proration unit the assigned allowable for that unit will be shared among the wells in any proportion, this is sometimes known as a "multi-well unit".

Since the two proposed wells are both standard and no "pool rules" exist for the East Herradura Bend Delaware Pool preventing the drilling of additional wells on a single proration unit, no administrative authority from the Division will be necessary. The approved APD and OCD Form C-102 will serve as Chevron's authorization to continue work on these wells.

Should you have any additional questions or comments concerning this matter, please contact me at (505) 827-8185.

Sincerely,

Michael E. Stogner Chief Hearing Officer/Engineer

MES/kv

cc: Oil Conservation Division - Artesia William J. LeMay, Director - OCD, Santa Fe