

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

June 20, 1991

'91 JUN 26 AM 9 09

Mr. William J. Lemay
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504

RE: REQUEST AND NOTICE FOR:
SIMULTANEOUS DEDICATION
STATE 'E' COM LEASE
S/2 SECTION 35
T20S, R37E
LEA COUNTY, NEW MEXICO

Gentlemen:

We are currently in the process of filing a C-101 and C-102 with the New Mexico Oil Conservation Division's district office in Hobbs for permission to drill a second Eumont (Gas) well as an infield well to the same producing interval on an existing 320-acre proration unit comprised of the S/2 Section 35, T20S, R37E, Unit P Lea County, New Mexico. The subject proration unit is currently dedicated to our State 'E' #1 located in Section 35, T20S, R37E, Unit P. I hereby file for administrative approval to simultaneously dedicate the 320-acre proration unit, consisting of the S/2 Section 35 to both our existing well (State 'E' Com #1) located in Sec. 35, 20S 37E, Unit P) and our newly proposed well (State 'E' Com #4 located in Sec. 35, R20S, R37E, Unit L).

Three copies of a plat showing the location of the original well on the existing 320-acre proration unit plus the location of the proposed well are enclosed.

Copies of this plat and application have also been sent to all offsetting parties owning shallow Eumont dry gas rights. The following is a list of the offset Eumont owners:

June 20, 1991
Mr. William J. Lemay
State 'E' Com Lease
Page 2

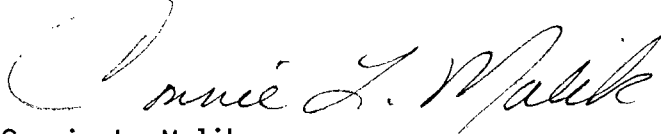
CHEVRON USA INC.
Attn: Al Bohling
P. O. Box 1150
Midland, TX 79701

ESTORIL INC.
ATTN: Jimmy Walker
400 W. Illinois, Suite 1600
Midland, TX 79701

OXY USA INC.
Attn: Bob Hunt
P. O. Box 50250
Midland, TX 79710

Thank you for your consideration in this matter.

Very truly yours,

A handwritten signature in cursive script, reading "Connie L. Malik". The signature is written in dark ink and is positioned above the printed name and title.

Connie L. Malik
Regulatory Compliance Rep.

CLM/sm

cc: New Mexico Oil Conservation Division
District I Office
P. O. Box 1980
Hobbs, NM 88240

Attn: Jerry Sexton

MERIDIAN OIL

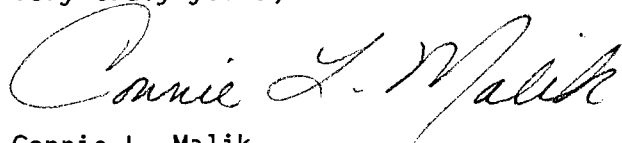
June 20, 1991

Offset Eumont Dry Gas Operators
State Com 'E' Lease
S/2 Section 35
T20S, R37E
Lea County, NM

We would be very appreciative if you would indicate your approval of our request of simultaneous dedication of the S/2 of Section 35, T20S, R37E, Lea County, New Mexico to our State 'E' Com #1 and to our State 'E' Com #4 by signing one copy of this request and returning it in the enclosed stamped, self-addressed envelope.

We appreciate your consideration in this matter.

Very truly yours,



Connie L. Malik
Regulatory Compliance Rep.

AGREED to this _____ day of _____, 1991.

CHEVRON USA INC.

Title _____

ESTORIL PRODUCING CORP.

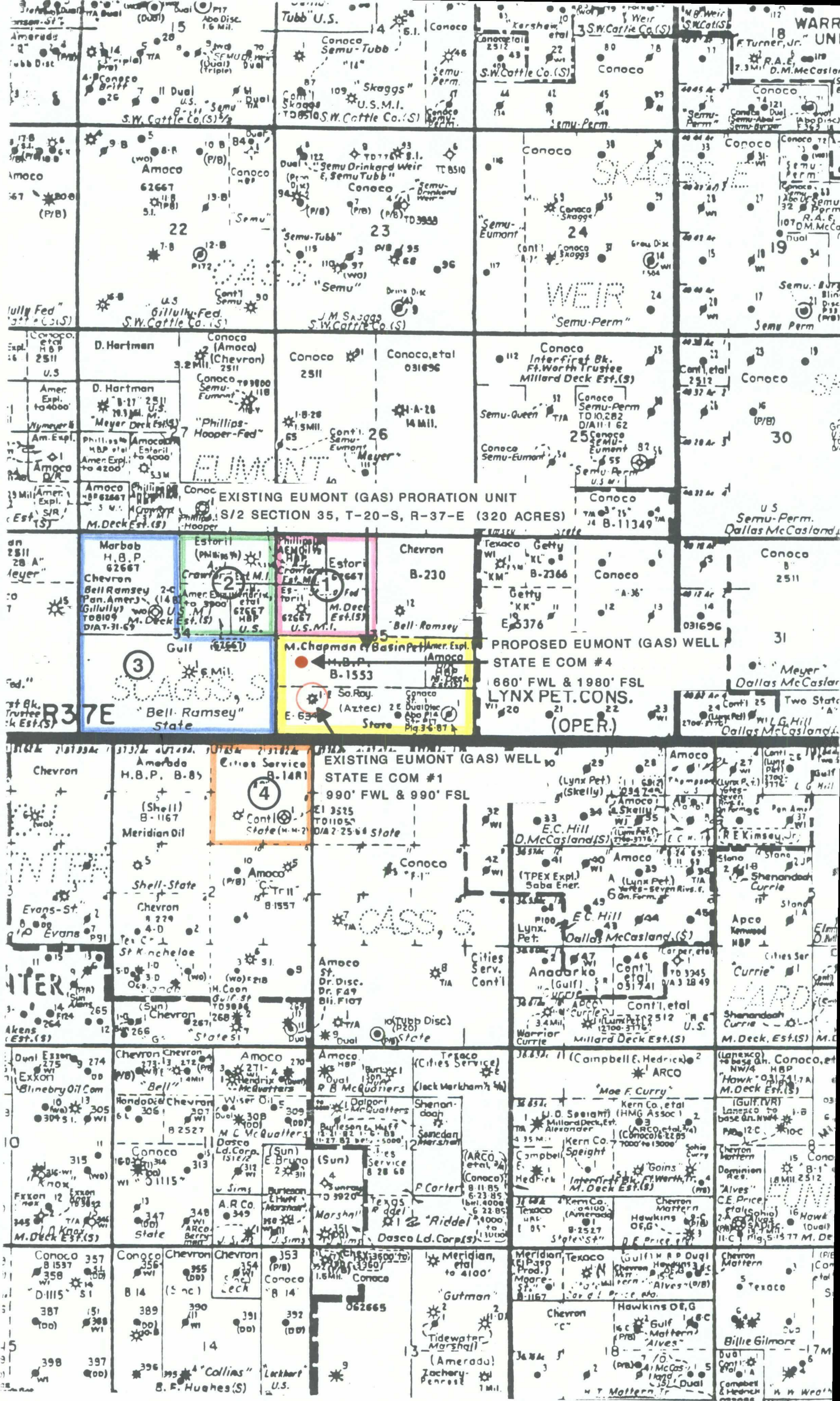
Title _____

OXY USA INC.

Title _____

LIST OF OFFSET OPERATORS
EUMONT YATES 7 RVRS QN (PRO GAS)
SOUTHLAND ROYALTY COMPANY
STATE E COM #4
(L-35-20-37)
S/2 SECTION 32, T-20-S, R-37-E
LEA COUNTY, NEW MEXICO

REF. NO.	OPERATOR	LEASE & WELL NAME(S)	GAS WELL LOCATIONS	UNIT DESCRIPTION	NO. OF ACRES
1.	ESTORIL PRODUCING CORP.	STANOLIND FEDERAL #1	E-35-20S-37E	NW/4 SECTION 35 T-20-S, R-37-E	160
2.	ESTORIL PRODUCING CORP.	PHILLIPS CRAWFORD #1	A-34-20S-37E	NE/4 SECTION 34 T-20-S, R-37-E	160
3.	CHEVRON U.S.A. INC.	BELL RAMSAY NCT C COM #1	J-34-20S-37E	NW/4 & S/2 SECTION 34 T-20-S, R-37-E	480
4.	OXY USA INC.	STATE AO #1	G-02-21S-36E	LOTS 1,2,7 & 8 SECTION 2 T-21-S, R-36-E	155



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 828
Order No. R-593

THE APPLICATION OF THE COMMISSION
UPON ITS OWN MOTION, DIRECTED TO
AZTEC OIL AND GAS COMPANY, FOR
RECONSIDERATION OF ADMINISTRATIVE
ORDER NSP-29 WHICH CREATED A NON-
STANDARD GAS PRORATION UNIT IN THE
EUMONT GAS POOL CONSISTING OF THE
S/2 OF SECTION 35, TOWNSHIP 20 SOUTH,
RANGE 37 EAST, NMPM, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 16, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 28th., day of February, 1955, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool of Order No. R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.

(3) That applicant, Aztec Oil and Gas Company is the owner of an oil and gas lease in Lea County, New Mexico, which lease is described as follows:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
S/2 S/2 of Section 35

(4) That Stanolind Oil and Gas Company is the owner of an oil and gas lease in Lea County, New Mexico, which lease is described as follows:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
N/2 SW/4, NW/4 SE/4 of Section 35

(5) That Makin Oil Company, Morris R. Antweil and A & M Oil Company are the owners of an oil and gas lease in Lea County, New Mexico, which lease is described as follows:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
NE/4 SE/4 of Section 35

(6) That the above described leases, when combined, will form a non-standard gas proration unit consisting of other than a legal section and described as follows, to-wit:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
S/2 of Section 35

containing 320 acres, more or less.

(7) That applicant, Aztec Oil and Gas Company, has a producing well on the aforesaid lease known as State Unit "E" #1 located 990 feet from the south and west lines of Section 35, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

(8) That the above-described 320-acre non-standard gas proration unit has been producing under the provisions of Administrative Order NSP-29, and that the Aztec Oil and Gas Company was required to, and did, show cause why this 320-acre proration unit should not be reduced in size.

(9) That it is impractical to pool the above-described leases with adjoining acreage in the Eumont Gas Pool, and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 320-acres.

(10) That unless a proration unit consisting of the aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool.

(11) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Aztec Oil and Gas Company for approval of an unorthodox proration unit consisting of the following described acreage:

Order No. R-593

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
S/2 of Section 35

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, State Unit "E" Well No. 1, located in the SW/4 SW/4 of Section 35, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above described 320-acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

ir/

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 21, 1955

Aztec Oil and Gas Company
920 Mercantile Securities Bldg.
Dallas 1, Texas

Re: Administrative Order NSP-29

Attention: Mr. Quilman Davis, Attorney

Gentlemen:

On October 26, 1954, by virtue of the provisions of Administrative Order NSP-29, I approved the formation of a non-standard gas proration unit consisting of the following described acreage in the Eumont Gas Pool:

Section 35, Township 20 South, Range 37 East
S/2

Information available to me at this time indicates that I exceeded the authority granted to me by the provisions of Rule 5-b of Order R-520 (Eumont Pool Rules) due to the fact that the third paragraph of Rule 5-a specifically limits the maximum amount of acreage that may be assigned to a gas well, the amount being governed by the well location.

The formation of a 320-acre non-standard proration unit with your State Unit "E" Lease, Well No. 1, located 990 feet from the South line and 990 feet from the West line is contrary to the provisions of this rule.

On February 16, 1955, this Commission will hold hearings described to you as operator for you to show cause why the acreage assigned your State Unit "E", Well No. 1, SW/4 SW/4 Section 35, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, should not be reduced to 160 acres in accordance with the provisions of Paragraph 3 of Rule 5-a of Order R-520. The description of this 160-acre unit is as follows:

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

-2-

Section 35, Township 20 South, Range 37 East
SW/4

This proposed reduction would be effective March 1, 1955. You will of course be afforded the opportunity to present any testimony or evidence to support the formation of the proration unit as it now exists.

This letter is being directed to you so that you can prepare your case, if you so desire. A copy of the advertisement will be mailed to you when available.

Very truly yours,

W. B. MACEY,
Secretary-Director

WBM/lr

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

'91 JUL 11 AM 8 49

July 9, 1991

Mr. William J. Lemay
State of New Mexico
Energy and Minerals Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504

RE: ORIGINAL OFFSET OPERATORS WAIVERS

Dear Mr. Lemay:

Attached are the original waivers for various leases in the Lea County, New Mexico for simultaneous dedication as follows:

SHELL STATE #7 & 4, Sec. 2, T23S, R36E
Waivers for Clayton W. Williams, Jr. Inc
Chevron USA, Inc.
Arco Oil & Gas Co.
Texaco, Inc. (not in yet)

SHELL STATE #10 & 9 Sec. 36, T20S, R36E
Waivers for Exxon Company USA
Chevron USA, Inc.

SHELL STATE #6 & 8: Sec. 32, T20S, R37E
Waivers for Chevron USA, Inc..
Texaco, Inc. (not in yet)
Doyle Hartman (not in yet)
Conoco, Inc. (not in yet)

MATTIE JAMES #1 & 2: Sec. 10, T22S, R36E
Waivers for Clayton W. Williams, Jr. Inc.
Arco Oil & Gas Co.

SHELL STATE "A" COM #5 & 6: Lots 3, 4, 5, 6, 11, & 12; T21S, R36E
Waivers from Chevron USA, Inc.
Oxy USA, Inc. (not in yet)
Conoco Production Company (not in yet)

Mr. William J. Lemay
Page 2

STATE 'E' COM #1 & 4: Sec. 35, T20S, R37E
Waivers from Estoril Producing Corp.
Chevron USA, Inc. (not in yet)
Oxy USA, Inc. (not in yet)

SHELL STATE "E" COM # 1, 2, & 3: Sec. 6, T21S, R36E
Waivers from Chevron USA, Inc.
Arco Oil & Gas Company
Citation Oil & Gas Corp. (not in yet)


BROWNLEE #1 & 2: Sec. 25, T21S, R36E
Waivers from Arco Oil & Gas Company
Chevron USA, Inc.

MYERS "B" #2 & 6: Sec. 11, T24S, R36E
Waivers from Arco Oil & Gas Company
Kern Company
Texaco, Inc. (not in yet)
V.H. Westbrook (not in yet)

OLSON BLINEBRY #2 & 3: Sec. 29, T23S, R37E
Waivers from Arco Oil & Gas
Great Western Drilling (not in yet)
Doyle Hartman (not in yet)

The remaining waivers will be submitted to you as soon as we receive them.

Sincerely:


Maria Perez
Production Asst.
A/C 915-686-5767

xc: D. McBee
C. Malik

MERIDIAN OIL

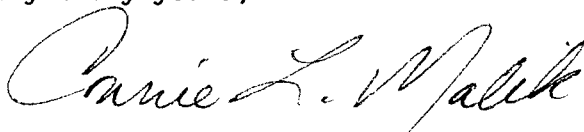
June 20, 1991

Offset Eumont Dry Gas Operators
State Com 'E' Lease
S/2 Section 35
T20S, R37E
Lea County, NM

We would be very appreciative if you would indicate your approval of our request of simultaneous dedication of the S/2 of Section 35, T20S, R37E, Lea County, New Mexico to our State 'E' Com #1 and to our State 'E' Com #4 by signing one copy of this request and returning it in the enclosed stamped, self-addressed envelope.

We appreciate your consideration in this matter.

Very truly yours,



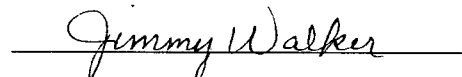
Connie L. Malik
Regulatory Compliance Rep.

AGREED to this 25th day of June, 1991.

CHEVRON USA INC.

Title _____

ESTORIL PRODUCING CORP.



Title Vice President - Land

OXY USA INC.

Title _____

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JUN 25 1991

IN LAND