

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF ENRON OIL & GAS COMPANY
FOR AMENDMENT OF DIVISION ORDER
NO. R-10658, LEA COUNTY, NEW MEXICO.

CASE NO. 11711

APPLICATION

ENRON OIL & GAS COMPANY, ("Enron"), through its undersigned attorneys, hereby makes application for amendment of Division Order No. R-10658 to authorize the drilling of its proposed Bell Lake Unit Well No. 1 at a location 1980 feet from the South and East lines of Section 7, Township 24 South, Range 34 East, and dedicate thereto all previously compulsory pooled standard 320-acre spacing and proration units comprised of the E/2 of said Section 7 , and in support thereof states:

1. Enron is a working interest owner in the E/2 of Section 7, and has the right to drill thereon.

2. By Order No. R-10575 issued in Case No. 11494 on April 1, 1996, the Division upon the application of Enron pooled all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 7, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit was to be dedicated to the Enron Bell Lake Unit Well No. 1 to be drilled at a standard location 2200 feet from the North line and 1980 feet from the East line (Unit G) of Section 7 to a depth sufficient to test any and all

formation; from the surface to the base of the Morrow formation, South Bell Lake-Morrow Gas Pool.

3. Enron did not drill this well as required by Order No. R-10575 on or before July 1, 1996 and this Order expired by its own terms.

4. Enron reapplied to the Division for a Compulsory Order for this well and by Order No. R-10658 issued in Case 11598 on August 27, 1996, the E/2 of said Section 7 was again compulsory pooled for the proposed Bell Lake Unit Well No. 1 at a location 2200 feet from the North line and 1980 feet from the East line of said Section 7.

5. Order No. R-10658 has been extended by the Division Director until March 1, 1997 for the commencement of the drilling of a well on the pooled spacing unit.

6. Recently acquired data on the Morrow formation in this area dictates that the proposed well location be changed to a point 1980 feet from the South and East lines of said Section 7.

7. Amendment of Order No. R-10658 to provide for a well 1980 feet from the South and East lines of said will be in the best interest of conservation, will prevent waste and will protect correlative rights.

WHEREFORE, Enron Oil & Gas Company prays that this application be set for hearing before an Examiner of the Oil Conservation Division on January 23, 1997 and, after notice and hearing as required by law, the Division approve this application for amendment of Order No. R-10658.

Respectfully submitted,

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

By:



WILLIAM F. CARR

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ATTORNEYS FOR ENRON OIL & GAS
COMPANY

CASE 1171

Application of Enron Oil & Gas Company for amendment of Division Order No. R-10658, Lea County, New Mexico. Applicant in the above-styled cause seeks amendment of Division Order No. R-10658 which pooled all mineral interests from the surface to the base of the Morrow formation, South Bell Lake-Morrow Gas Pool, underlying the E/2 of Section 7, Township 24 South, Range 34 East for all formations developed on 320-acre spacing to provide for a new well location for its proposed Bell Lake Unit Well No. 1 of 1980 feet from the South and East line of said Section 7. Said area is located approximately 20 miles southwest of Eunice, New Mexico.

DEC

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

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December 30, 1996

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

DEC

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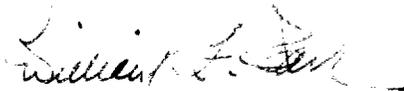
Case 11711

Re: Application of Enron Oil & Gas Company for amendment of Division Order
No. R-10658, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is an Application of Enron Oil & Gas Company in the above-referenced case as well as a copy of a legal advertisement. Enron Oil & Gas Company respectfully requests that this matter be placed on the docket for the January 23, 1997 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc: Patrick J. Tower (w/enclosures)
Enron Oil & Gas Company
Post Office Box 2267
Midland, TX 79702