BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF STANOLIND CIL AND GAS COMPANY FOR THE ESTABLISHMENT OF 320-ACRE FRORATION UNITS AND A UNIFORM SPACING FATTERN IN THE COMMON SOURCE OF SUITLY DISCOVERED IN THE STANOLIND OIL AND GAS COMPANY'S STATE "AB" WELL NUMBER 1, 1980 FEET FROM THE SOUTH LINE AND 1980 FEET FROM THE EAST LINE OF SECTION 29, TOWNSHIF 17 SOUTH, RANGE 28 EAST, EDDY COUNTY, NEW MEXICO.

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AFFLICATION

An application is hereby made by the Stanolind Oil and Gas Company, a corporation, for the establishment of 320-acre proration units and a uniform spacing pattern for the common source of supply encountered in the Stanolind Oil and Gas Company's State "AB" Well No. 1, 1980 feet from the south line and 1980 feet from the east line, section 29, Township 17 South, Range 28 East, Eddy County, New Mexico. This common source of supply was discovered upon completion of the Stanolind Cil and Gas Company's State "AB" Well No. 1 in the Pennsylvanian formation on August 24, 1953. This discovery well encountered the top of the Fennsylvanian at 10,102 feet and was completed at a total depth (plug back) of 10,270 feet.

It is the purpose of this application to request the Commission, after proper notice and hearing, to issue an order adopting a temporary spacing pattern in this field which will provide for uniform and orderly development of this common source of supply and will allow sufficient time for the operators to obtain necessary engineering and geological information to determine the appropriate spacing pattern to be followed in completing development of this pool. Such an order will also serve to prevent waste and avoid the drilling of unnecessary wells, to obtain the optimum ultimate recovery therefrom and to protect the correlative rights of the interested parties therein.

The Cil Conservation Commission is hereby requested to enter an order providing for the development of this common source of supply as follows:

1. Establish 320-acre proration units comprising two normal quarter sections, according to survey by the United States Government.

2. Require location of wells within 330 feet of the center of either the southeast quarter or the northwest quarter of a normal section, according to survey by the United States Government, with 200 feet tolerance for topographical conditions.

3. Establish appropriate casing rules to properly protect all gas or other fluid bearing formations.

Applicant will also request that the order be issued making these rules effective to govern development and operation of the following described acreage:

> In Township 17 South, Range 28 East S/2 Sections 19, 20, 21, 22 All Sections 27, 28, 29, 30, 31, 32, 33, 34

In Township 18 South, Range 28 East N/2 Sections 3, 4, 5, 6

The Commission is respectfully requested to set this matter and application down for special hearing on October 28, 1953. It is also requested that the Commission give due and proper notice of this hearing, as required by law, and that the Commission after hearing, issue its order granting approval of the application as set out herein.

Dated this 8th day of October, 1953.

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STANOLIND OIL AND GAS COMPANY

C. F. BEDFORD

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