BEFORE THE

OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF REFINERS PETROLEUM CORP. FOR ADOPTION OF POOL RULES, SANDOVAL COUNTY, NEW MEXICO

APPLICATION

Comes now Refiners Petroleum Corp., and applies to the Oil Conservation Commission of New Mexico for the adoption of pool rules for an undesignated oil pool, Sandoval County, New Mexico, with provision for 160 acres spacing and proration units, and in support thereof would show the Commission:

1. Applicant has drilled its Cuba-Union Well No. 1, located 990 feet from the East line, and 990 feet from the North line of Section 25, Township 22 North, Range 3 West. N.M.P.M., and has drilled its Cuba-Pan Am Well No. 1, located 990 feet from the South line, and 1650 feet from the West line of Section 24, Township 22 North, Range 3 West, N.M.P.M., both in Sandoval County. Both wells have been completed for the production of oil from the Graneros Dakota formation at a depth of approximately 6800 feet. Applicant is presently drilling its Cuba-Union Well No. 2, located 990 feet from the East line, and 990 feet from the North line of Section 26, Township 22 North, Range 3 West, N.M.P.M. It is anticipated that this well will be completed for production from the same formation.

2. Evidence presently available indicates that one well will drain and develop not less than 160 acres.

3. In order to prevent waste, protect correlative rights, and assure the greatest ultimate recovery of oil from

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the pool, pool rules should be adopted creating 160-acre spacing and proration units for the pool for a temporary period of one year, until additional information can be gathered to show what the spacing ultimately should be.

WHEREFORE Applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order granting the relief prayed for.

> Respectfully submitted, REFINERS PETROLEUM CORP.

By Jasen W. Kellah KELLAHIN & FOX

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