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BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF PENNZOIL UNITED, INC., FOR
CREATION OF A NEW POOL, AND
ADOPTION OF POOL RULES, ROOSEVELT
COUNTY, NEW MEXICO.

Case 4526

A P P L I C A T I O N

Comes now Pennzoil United, Inc., and applies to the Oil Conservation Commission of New Mexico for the creation of a new pool for San Andres production, Roosevelt County, New Mexico, and for temporary pool rules, and in support thereof would show the Commission:

1. Applicant has completed its Superior State No. 1 well, located 1980 feet from the South line, and 660 feet from the west line of Section 8, Township 7 South, Range 35 East, N.M.P.M., Roosevelt County, New Mexico, for the production of gas from the San Andres formation.

2. The subject well was drilled to a total depth of 8,295, and plugged back and completed in the San Andres formation, with perforations at 4232 to 4261 feet. The well was completed for a calculated open flow of 5,000 mcf per day.

3. The nearest San Andres pool is the Todd San Andres pool, approximately two and one-half miles southeast of applicant's well, and the subject well constitutes a new discovery.

4. Applicant requests the creation of a gas pool for production of gas from the San Andres, and for the adoption of temporary pool rules for a period of one year, which rules shall include a provision for 320 acre spacing and proration units.

5. Present information available to applicant indicates that one well will efficiently and economically drain and develop a proration unit of not less than 320 acres, and drilling at a greater density will cause waste. Adoption of pool rules for a period of one year will enable applicant and other operators in the area to develop further information on the reservoir and its performance, enabling the Commission to adopt permanent rules on the basis of more complete information.

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 create a new pool and adopt pool rules as prayed for.

Respectfully submitted,
PENNZOIL UNITED, INC.

By Jason W. Kellahin
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501
ATTORNEYS FOR APPLICANT