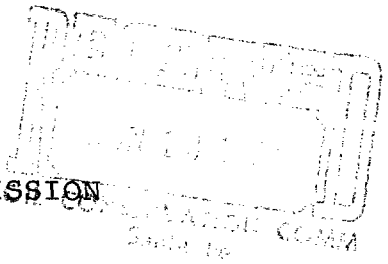


BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO



APPLICATION OF HARDING OIL COMPANY FOR THE PROMULGATION OF SPECIAL FIELD RULES ON A TEMPORARY BASIS BECAUSE OF A NEW DISCOVERY MADE BY APPLICANT IN ITS E. D. SHIPP NO. 1 WELL LOCATED IN UNIT K, 2080 FEET FROM THE WEST LINE AND 2310 FEET FROM THE SOUTH LINE OF SECTION 11, TOWNSHIP 17 SOUTH, RANGE 37 EAST, LEA COUNTY, IN THE STRAWN FORMATION THROUGH PERFORATIONS FROM 11,420 FEET TO 11,452 FEET, SAID RULES TO INCLUDE 80 ACRE SPACING AND PRORATION UNITS WITH THE PRIVILEGE OF DRILLING ON EITHER 40 ACRE COMPONENT, AND THE CREATION OF A NEW POOL IN CONNECTION THEREWITH, AND FOR A DISCOVERY ALLOWABLE.

*Case 4749*

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Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

Comes Harding Oil Company and hereby makes application for the promulgation of special field rules on a temporary basis because of a new discovery made by applicant in its E. D. Shipp No. 1 well located in Unit K, 2080 feet from the west line and 2310 feet from the south line of Section 11, Township 17 South, Range 37 East, Lea County in the Strawn formation through perforations from 11,420 feet to 11,452 feet, said rules to include 80 acres spacing and proration units with the privilege of drilling on either 40 acres component, and the creation of a new pool in connection therewith and for a discovery allowable, and in support thereof respectfully shows:

1. That on March 9, 1972 applicant completed its E. D. Shipp No. 1 well located in Unit K of Section 11, Township 17 South, Range 37 East, Lea County, said well being drilled to a total depth of 11,672 feet and completed in the Strawn formation through perforations from 11,420 to 11,452 feet with a potential of 624 barrels of oil per day. This well is believed to be a new discovery in a separate and distinct Strawn formation from any other producing well in the area.

2. There is attached hereto, made a part hereof and for purposes of identification marked Exhibit "A", a plat showing all wells within a two mile radius of the discovery well and the ownership of all leasehold interests within said area.

3. Because of the character of the discovery and the producing formation it is believed that one well will effectively and efficiently drain 80 acres or more.

4. Applicant proposes to commence a second well which will be located in the approximate center of the SW $\frac{1}{4}$ NE $\frac{1}{4}$  of said Section 11. Applicant believes that it will be in the interest of conservation and the prevention of waste and the orderly future development of the new pool indicated by the discovery well that temporary pool rules be adopted by the Commission providing for 80 acre spacing and proration units with the privilege of drilling in the center of either 40 acre component, with a tolerance of 150 feet, and that future development will show conclusively that one well will effectively and efficiently drain 80 acres or more. Applicant further believes that such temporary special pool rules will prevent the possibility of economic loss resulting from the drilling of unnecessary wells and will permit the operators in the pool to gather information concerning the reservoir characteristics, as well as protect correlative rights.

5. Applicant has made application for a discovery allowable and has filed Form C-109 with the Commission.

6. Applicant requests that this matter be set down for hearing at the examiner's hearing scheduled for June 28, 1972.

Respectfully submitted,

HARDING OIL COMPANY

By 

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