

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF MATHIS, SPENCER & HUTSON
FOR ADOPTION OF POOL RULES,
LEA COUNTY, NEW MEXICO

A P P L I C A T I O N

Come now Mathis, Spencer & Hutson and apply to the Oil Conservation Commission of New Mexico for creation of a new pool for production of oil from the Permo-Penn formation, and the adoption of pool rules, including a provision for 160-acre spacing and proration units, and in support thereof would show the Commission:

1. Applicants have completed their Clayton No. 1 well as a discovery well, located 1980 feet from the South line, and 660 feet from the West line of Section 22, Township 15 South, Range 33 East, N.M.P.M., Lea County, New Mexico for the production of oil from the Permo-Penn formation. Performations are from approximately 9774 feet to 9782 feet.

2. Well pressures, producing characteristics and the nature of the formation encountered indicate that one well will efficiently and economically drain and develop a unit of 160 acres, and the economics of drilling and completing wells in the newly-discovered pool are such that it should be developed on 160-acre spacing and proration units.

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 creating a new pool for the production of oil from the Permo-Penn formation, and adopting pool rules for the development and operation of the pool, including a provision for 160-acre spacing and proration units, and for such other provisions as may be proper for the prevention of waste, and the protection of correlative rights.

Respectfully submitted,

MATHIS, SPENCER & HUTSON

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ATTORNEYS FOR APPLICANT