

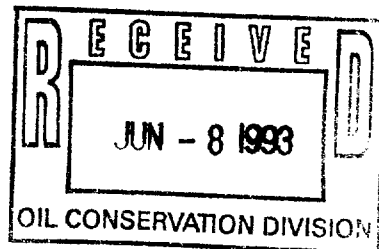
PADILLA & SNYDER
ATTORNEYS AT LAW
200 W. MARCY, SUITE 216
P.O. BOX 2523
SANTA FE, NEW MEXICO 87504-2523

FACSIMILE: (505) 988-7592
TELEPHONE: (505) 988-7577

June 8, 1993

HAND-DELIVERED

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
State Land Office Building
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501



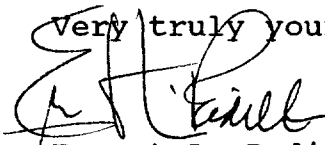
Re: Application For Unorthodox Locations
Scarborough Yates-Seven Rivers Pool, Section 19,
Township 26 South, Range 37 East; Section 30,
Township 26 South, Range 37 East, N.M.P.M., Lea
County, New Mexico

Dear Mr. LeMay:

Enclosed please find, in triplicate, Hal J. Rasmussen
Operating, Inc.'s Application for Unorthodox Locations.

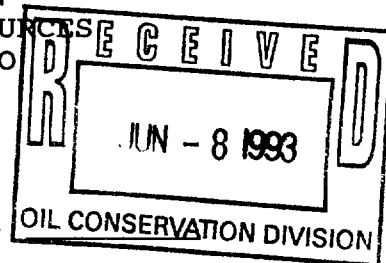
We respectfully request that this matter be placed on
the docket for the July 1, 1993 Examiner hearings.

Very truly yours,


(Ernest L. Padilla)

ELP:pmc
Enclosure as stated
xc w/encl: Hal J. Rasmussen Operating, Inc.

BEFORE THE OIL CONSERVATION DIVISION
OF THE ENERGY, MINERALS AND NATURAL RESOURCES
DEPARTMENT OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE)
APPLICATION OF HAL J.)
RASMUSSEN OPERATING,)
INC. FOR UNORTHODOX)
LOCATIONS, LEA COUNTY,)
NEW MEXICO)

CASE NO. OIL CONSERVATION DIVISION

10755

APPLICATION FOR UNORTHODOX LOCATIONS

Applicant, Hal J. Rasmussen Operating, Inc., states:

1. Applicant is the operator of certain oil and gas leases, properties and wells located within the Scarborough Yates-Seven Rivers Pool.

2. To promote the greatest ultimate recovery of oil and gas through more effective and efficient drainage from said leases and properties, Applicant proposes to drill the following wells at the following unorthodox oil well locations which vary from standard oil well locations as prescribed by the Scarborough Yates-Seven Rivers Pool rules and regulations:

| <u>Well</u> | <u>Locations</u> |
|-------------|---|
| Eaves A #18 | 160' FNL, 2173' FEL, Sec. 30, T26S, R37E |
| Eaves A #19 | 1414' FSL, 3190' FEL, Sec. 19, T26S, R37E |
| Eaves A #20 | 2570' FSL, 3538' FEL, Sec. 19, T26S, R37E |
| Eaves B #20 | 1414' FSL, 429' FEL, Sec. 30, T26S, R37E |

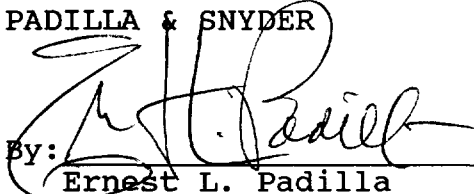
3. Approval of the application will be in the best interests of conservation of oil and gas and will not impair correlative rights of adjoining operators or lease owners.

WHEREFORE, Applicant requests that:

- (A) The application be approved in its entirety.
- (B) Notice be given in accordance with the rules and regulations of the Division.
- (C) For such other and proper relief as the Division may deem appropriate.

Respectfully submitted,

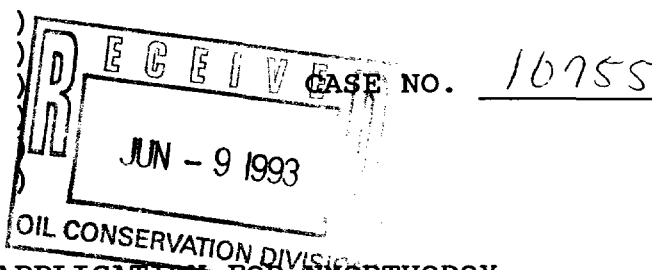
PADILLA & SNYDER

By: 
Ernest L. Padilla
Post Office Box 2523
Santa Fe, New Mexico 87504
(505) 988-7577

Attorneys for Applicant

BEFORE THE OIL CONSERVATION DIVISION
OF THE ENERGY, MINERALS AND NATURAL RESOURCES
DEPARTMENT OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE
APPLICATION OF HAL J.
RASMUSSEN OPERATING,
INC. FOR UNORTHODOX
LOCATIONS, LEA COUNTY,
NEW MEXICO



FIRST AMENDED APPLICATION FOR UNORTHODOX
LOCATIONS AND SIMULTANEOUS DEDICATION

Applicant, Hal J. Rasmussen Operating, Inc., states:

1. Applicant is the operator of certain oil and gas leases, properties and wells located within the Scarborough Yates-Seven Rivers Pool.

2. To promote the greatest ultimate recovery of oil and gas through more effective and efficient drainage from said leases and properties, Applicant proposes to drill the following wells at the following unorthodox oil well locations which vary from standard oil well locations as prescribed by the Scarborough Yates-Seven Rivers Pool rules and regulations:

| <u>Well</u> | <u>Locations</u> |
|-------------|--|
| Eaves A #18 | 160' FNL, 2173' FEL, Sec. 30, T26S, R37E |
| Eaves A #19 | 1414' FSL, 3190' FEL, Sec. 19, T26S, R37E |
| Eaves A #20 | 2570' ^{FNL} FSL , 3538' FEL, Sec. 19, T26S, R37E |
| Eaves B #20 | 1414' FSL, 429' FEL, Sec. 30, T26S, R37E |

Applicant further proposes to simultaneously dedicate the production from these new wells with the production from wells on existing proration units.

3. Approval of the application will be in the best interests of conservation of oil and gas and will not impair correlative rights of adjoining operators or lease owners.

WHEREFORE, Applicant requests that:

- (A) The application be approved in its entirety.
- (B) Notice be given in accordance with the rules and regulations of the Division.
- (C) For such other and proper relief as the Division may deem appropriate.

Respectfully submitted,

PADILLA & SNYDER

By: 

Ernest L. Padilla
Post Office Box 2523
Santa Fe, New Mexico 87504
(505) 988-7577

Attorneys for Applicant

PADILLA & SNYDER
ATTORNEYS AT LAW
200 W. MARCY, SUITE 216
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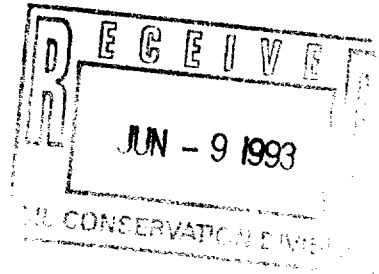
June 9, 1993

10755

HAND-DELIVERED

Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Attn: Robert G. Stovall
General Counsel



Re: Application For Unorthodox Locations
Scarborough Yates-Seven Rivers Pool, Section 19,
Township 26 South, Range 37 East; Section 30,
Township 26 South, Range 37 East, N.M.P.M., Lea
County, New Mexico

Dear Bob:

Enclosed is an Amended Application in triplicate. After we filed our original application yesterday, I learned that the unorthodox locations were being drilled in existing proration units, thus requiring simultaneous dedication.

I would appreciate it if this application would be included on the July 1, 1993 docket.

Thank you.

Very truly yours,

Ernest L. Padilla

ELP/pmc
Enclosure
xc: Hal J. Rasmussen Operating, Inc.

i

K

k

L

l

M

SOUTH

1
40.31

2
40.34

3
40.36

4
40.39
S 89° 58' E.

1
40.42

2
40.48

3
40.52

4
40.58
S 89° 58' E.

1
40.61

2
40.63

3
40.65

4
40.67
S 89° 58' E.

1
40.66

2

Sec 18
64140

8020

Sec 19
64200

8030

Sec 30
64256

8034

S 0° 3' E.

S 0° 3' E.

S 0° 3' E.

S 0° 3' E.

Sec 17
640

8010

Sec 20
640

8014

Sec 29
640

8018

West

West

West

3

4

5

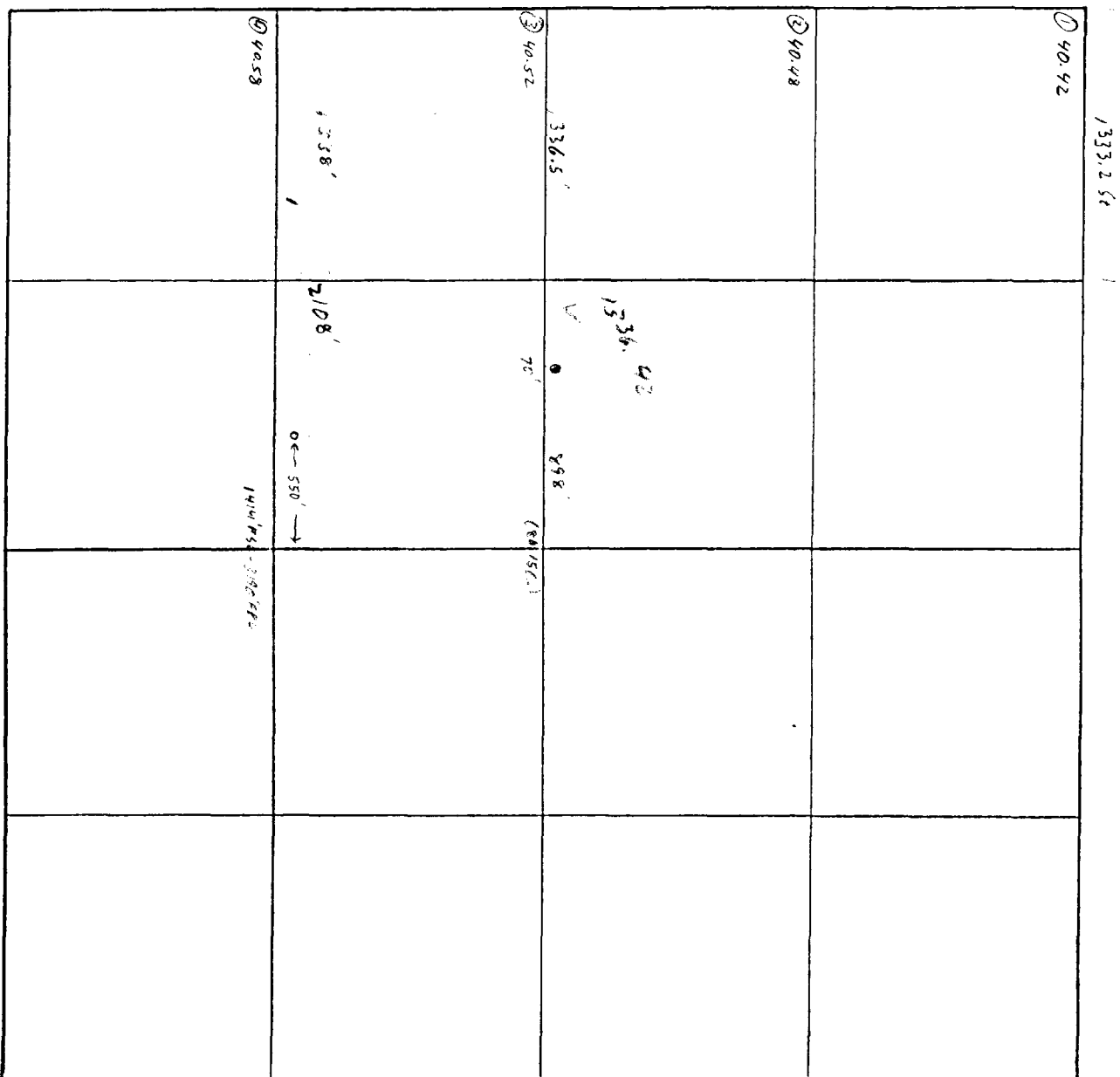
4

3

2

1

8020 Ch...



SECTION

19

TOWNSHIP

26 South

RANGE

37 East

| SANTERISAN ABIDES, WEST COAST | |
|-------------------------------|-----------|
| C. W. JOHN (SECRET) | |
| SECRET | |
| M | 2 |
| Average factor | 0.509 |
| Percentage Limits | |
| U.S.M | 1 |
| A | 27.9 37 |
| M | 6.116 |
| 4 | 0.27.9 37 |
| M | 6.116 |

[illegible]

| | |
|------------------------------------|--------------------|
| Average factor 0.500 | |
| Factorage factor limits | |
| ***** DUCAM PRODUCTION CORP. ***** | |
| BULLBERRY -23* | |
| 1 | 1.823-9.37 M 4.167 |
| (12) | 2.163-9.37 M 1.897 |
| 3 | 1.823-9.37 M 4.167 |
| (5) | 4.163-9.37 M 3.880 |
| 5 | 1.823-9.37 M 4.167 |
| 2 | 1.823-9.37 M 4.167 |

SCHAB, BONE SPRING
(80 Acre Spec'd)
Top Allowable 400 GPM (limit 2000
Top Casinghead Gas Limit 800 MCF

| | | | | | | |
|----------------------|------|---|-------|------|----|------|
| 1 | (12) | 5 | 283.9 | 37 | M | 167 |
| 2 | (13) | 6 | 283.9 | 37 | M | 167 |
| 3 | (5) | 6 | 283.9 | 37 | M | 3850 |
| MARATHON FEDERAL | | | | | | |
| 4 | (1) | 1 | F | 23.9 | 37 | M |
| VATES 69 FEDERAL | | | | | | |
| 5 | (8) | 1 | M | 23.9 | 37 | M |
| 6 | (8) | 2 | K | 23.9 | 37 | M |
| 7 | (8) | 2 | K | 23.9 | 37 | M |
| MEDCO PROPERTIES LTD | | | | | | |
| 8 | (5) | 1 | D | 26.9 | 37 | M |
| 9 | (5) | 1 | D | 26.9 | 37 | M |
| 10 | (5) | 1 | D | 26.9 | 37 | M |

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***** CALIFORNIA OIL CORP. *****  
NEW MEXICO "NB" STATE  
" " " " H 3-19-34 SI  
***** DEVON ENERGY CORP. (NEVADA) *****  
JACKSON "SM"  
" " " " F 5-19-35 M 40900  
STATE "AZ"  
" " " " 2 H 6-19-35 M TSH  
***** ELK OIL CO. *****
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***** PENNMAN RESOURCES INC. *****
Federal "02"
  " " (4) 1 N 22 9 37 M 151M
FEDERAL "07M
  " " (6) 1 0627 9 37 M 2833
WIRCH UNIT(4) 1 L 34 9 37 M 1667
SPFOR (4) 1 M333 9 37 M 1818
  " " (13) 2 0534 9 37 M 1750
  " " (4) 1

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EIKAN      (30)   1   K$9-19-35 M    2000
"          "       4   M$9-19-35 P&A
STATE "MN"
"          (10)   1   0-15-19-35 M    TSIM
***** JFC ENTERPRISES *****
B LEE STATE
"          (5)    7   H $ 19-35 M
*****
CHARGE SLAVES
*****

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| | | |
|---|----|------|
| 1 | 3 | 1818 |
| 2 | 4 | 2006 |
| 3 | 5 | 2222 |
| 4 | 6 | 1091 |
| 5 | 7 | 4064 |
| 6 | 8 | 1940 |
| 7 | 9 | 2105 |
| 8 | 10 | 1750 |
| 9 | 11 | 1750 |

(13) 3 C 719 35 M
 GOVERNMENT OF QUEBEC
 (13) 3 C 719 35 M
 MINISTRE FEDERAL
 (38) 1 HSO 19 35 M
 2 ASO 19 35 SI
 MINISTRE DU TRAVAIL

| | | | | | |
|---|------|---|-----------|----|------|
| 1 | 1944 | M | 9-27-9-37 | 17 | 1944 |
| 2 | 1819 | M | 9-28-9-37 | 18 | 1819 |
| 3 | 1819 | M | 9-28-9-37 | 19 | 1819 |
| 4 | 2065 | M | 9-27-9-37 | 20 | 2065 |
| 5 | 1982 | M | 9-36-9-37 | 21 | 1982 |
| 6 | 2105 | M | 9-27-9-37 | 22 | 2105 |
| 7 | 2105 | M | 9-27-9-37 | 23 | 2105 |
| 8 | 2000 | M | 9-33-9-37 | 24 | 2000 |
| 9 | 1818 | M | 9-33-9-37 | 25 | 1818 |

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RISK STATE
" " (8) 1 12 19 34 M 1875
***** MOBIL PRODUCING TX & NM INC. *****
MESCALERO RIDGE
" (18) 1 K 17-19 35 M 6111
***** OMELL PROPERTIES LTD *****
ORA JACKSON
" (9) 1 L 5-19-35 M 890
***** DENUNZIATI EXPL & PROD CO *****

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| | | | | |
|------------------------|---|-----------|---|-------|
| | 1 | M 5-10-37 | M | 1000 |
| TAHOE ENERGY INC. | 1 | | | |
| ARCO (5) | 8 | 28-9-37 | M | 11600 |
| ARCO FEDERAL | | | | |
| " (3) | 2 | A 28-9-37 | M | 12667 |
| SCHULZE (4) | 2 | O 21-9-37 | M | 7750 |
| " P FEDERAL (4) | 1 | M 22-9-37 | M | 1250 |

| | | | | | |
|-----------------------|---------------------|-------|-----------|----|------|
| DALHOIT | (6) | 1 | M 1-19-35 | M | 755 |
| ***** | READ & STEVENS INC. | ***** | | | |
| GUY HOOPER COM | | | | | |
| " | (17) | 1 | K 7-19-35 | M | 1165 |
| MARATHON STATE COH | | | | | |
| " | | 1 | E 7-19-35 | S1 | |
| Average Factor | 0.975 | | | | |
| Average Factor Limits | | | | | |

| | | | | |
|---------------|-----|-----------|---|------|
| FEDERAL (9) | 1 | D 4 10 37 | M | 1250 |
| STATE " S" | | | | |
| " " (10) | 1 | M 5 10 37 | M | 100 |
| STATE "W32" | | | | |
| " (8) | 2-7 | M 32-9 37 | M | 1250 |
| ***** VATES | | | | |
| SANTA FE "W3" | | | | |

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SCHARR CUM
" " J 7-19 35 M 600
***** SOUTHLAND ROYALTY CO *****
SCHARR " 4th
" (27) 1 M 4 19 35 M 400
" (1) 2 F 4-19 35 *200 1000
Average Factor 0.500
Average Factor limits

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(3) Average factor 0.500
Average factor limits

[illegible]

[illegible]

COUNTY Lea

POOL

Scarborough Yates-Seven Rivers

TOWNSHIP

26 South

RANGE

36 East

NMPM

| | | | | | |
|----|----|----|----|----|----|
| 6 | 5 | 4 | 3 | 2 | 1 |
| 7 | 8 | 9 | 10 | 11 | 12 |
| 18 | 17 | 16 | 15 | 14 | 13 |
| 19 | 20 | 21 | 22 | 23 | 24 |
| 30 | 29 | 28 | 27 | 26 | 25 |
| 31 | 32 | 33 | 34 | 35 | 36 |

Description: $\frac{E}{2}$ Sec. 12; $\frac{E}{2}$ Sec. 13; $\frac{E}{2}$ Sec. 24 (R-7999, 11/23/65)
Ext: $\frac{NE}{4}$ Sec. 26 (R-3562, 12-1-68) - $\frac{NE}{4}$ Sec. 25 (R-7843, 10-1-69)
- $\frac{SE}{4}$ Sec. 25 (R-4106, 3-1-71)

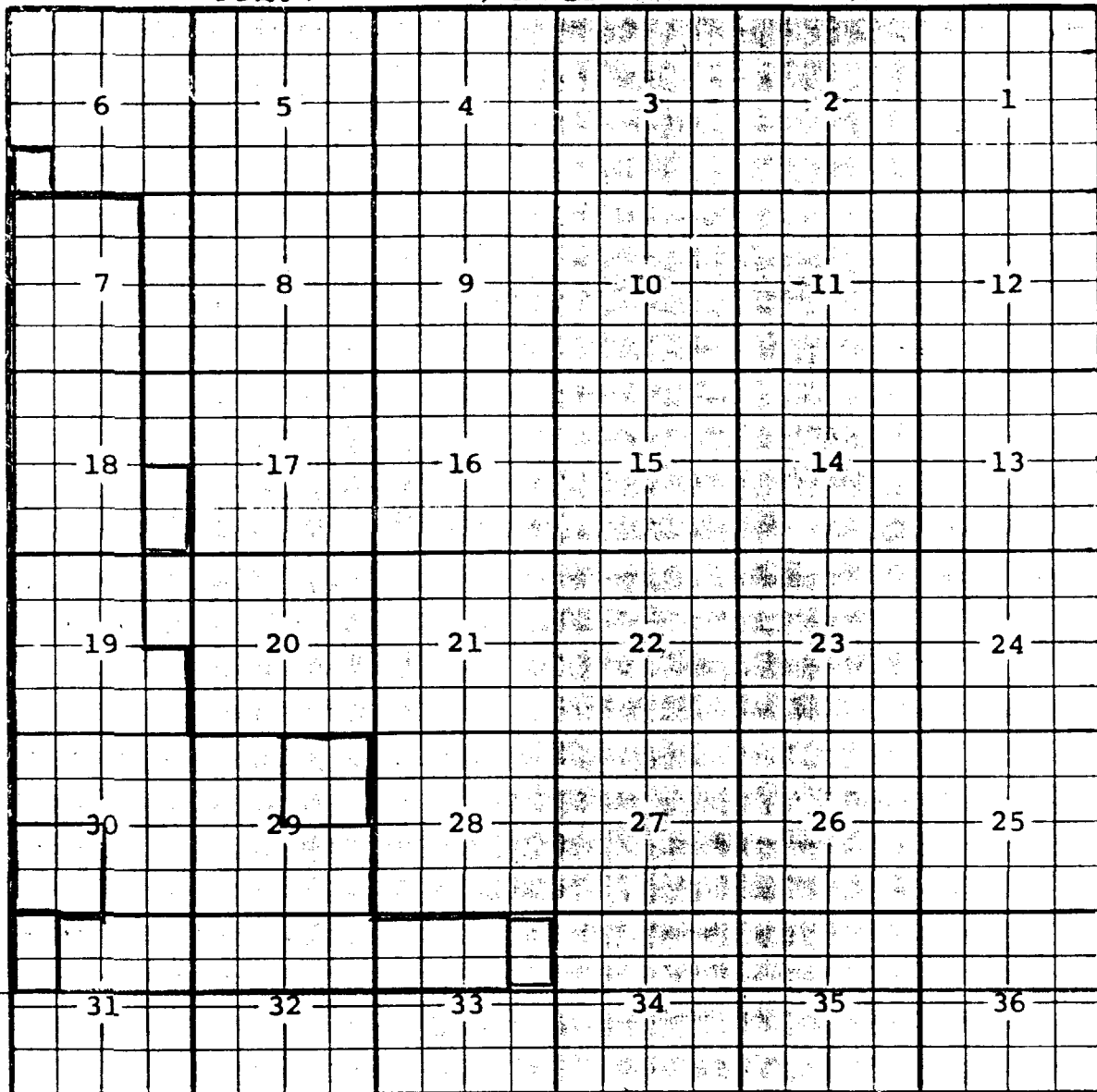
ILLEGIBLE

COUNTY Lea

POOL

Scarborough Yates-Seven RiversTOWNSHIP 26 SouthRANGE 37 East

NMPM



Description: $\frac{W}{2} \frac{E}{2} \frac{W}{2} \frac{E}{2}$ Sec. 7; $\frac{W}{2} \frac{E}{2} \frac{W}{2} \frac{E}{2}$ Sec. 18; $\frac{NW}{4}, \frac{W}{2}, \frac{NE}{4}, \frac{S}{2}$ Sec. 19;
 $\frac{W}{2} \frac{SE}{4}$ Sec. 29; $\frac{N}{2} \frac{SE}{4}$ Sec. 30; $\frac{E}{2} \frac{E}{2} \frac{W}{2} \frac{E}{2}$ Sec. 31; All Sec. 32; $\frac{W}{2} \frac{E}{2} \frac{W}{2} \frac{E}{2}$ Sec. 33 (R-2999, 11-23-65)
 Ext: $\frac{SW}{4}$ Sec. 30 (R-3056, 5-1-66) - $\frac{W}{2} \frac{W}{2}$ Sec. 31 (R-3182, 2-1-67) EXT: $\frac{SW}{4} \frac{SW}{4}$ sec 6,
 $\frac{NE}{4}$ sec 29 (R-6891, 2-1-82) $\frac{E}{2} \frac{SE}{4}$ Sec. 18 (R-7131, 11-30-82)
 Ext: $\frac{E}{2} \frac{E}{2}$ Sec. 33 (R-7437, 2-6-84)

ILLEGIBLE

(EAST HIGHTOWER-UPPER PENNSYLVANIAN POOL - Cont'd.)**IT IS FURTHER ORDERED:**

(1) That the locations of all wells presently drilling to or completed in the East Hightower-Upper Pennsylvanian Pool or in the Upper Pennsylvanian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before December 15, 1965.

(2) That each well presently drilling to or completed in the East Hightower-Upper Pennsylvanian Pool or in the Upper Pennsylvanian formation within one mile thereof shall receive a 40-acre allowable until a Form C-102 dedicating 80 acres to the well has been filed with the Commission.

(3) That this case shall be reopened at an examiner hearing in November, 1966, at which time the operators in the subject pool may appear and show cause why the East Hightower-Upper Pennsylvanian Pool should not be developed on 40-acre spacing units.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

SCARBOROUGH YATES-SEVEN RIVERS POOL
Lea County, New Mexico

Order No. R-2999, Creating and Adopting Operating Rules for the Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico, December 1, 1965.

Order No. R-2999 supersedes Order No. R-2947, August 16, 1965, setting the top allowable for Yates formation wells, Jalmat Gas Pool.

Special allowable not subject to market demand factor assigned, Order No. R-4348, September 1, 1972 (see Section I).

In the Matter of the Hearing Called by the Oil Conservation Commission on its own Motion for Creation of the Scarborough Yates-Seven Rivers Pool and for Special Pool Rules, Lea County, New Mexico.

CASE NO. 3316
Order No. R-2999

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on October 6, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 23rd day of November, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-2947, the Commission established a top unit allowable of 128 barrels of oil per day for wells completed in the Yates formation in Section 31, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That said allowable was established pending a more definite determination of the horizontal limits of the Jalmat Gas Pool in Lea County, New Mexico, and the Scarborough Pool in Winkler County, Texas.

(4) That pursuant to the provisions of Order No. R-2947, further studies have been conducted to define the horizontal limits of these pools.

(5) That a new pool should be created in Lea County, New Mexico, and designated the Scarborough Yates-Seven Rivers Pool; that said pool is a separate common source of supply in New Mexico and is a portion of the common source of supply designated the Scarborough Pool in Winkler County, Texas.

(6) That special rules and regulations should be promulgated for the Scarborough Yates-Seven Rivers Pool in order to prevent waste and protect correlative rights.

(7) That oil wells completed in the Scarborough Pool in Winkler County, Texas, receive a per-acre allowable greater than the per-acre allowable that would be assigned under the Commission's General Rules and Regulations to oil wells completed in the Scarborough Yates-Seven Rivers Pool in Lea County, New Mexico.

(8) That in order to prevent drainage and otherwise prevent waste and protect correlative rights, oil wells completed in the Scarborough Yates-Seven Rivers Pool in Lea County, New Mexico, should be assigned a monthly allowable equal to the monthly per-acre allowable assigned to oil wells in the Scarborough Pool in Winkler County, Texas.

(9) That in order to afford to the owner of each property in the Scarborough Yates-Seven Rivers Pool the opportunity to produce his just and equitable share of the oil and gas in the pool, and to otherwise prevent waste and protect correlative rights, a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil should be established and all wells with a gas-oil ratio in excess of 100,000 cubic feet of gas per barrel of oil should be classified as gas wells.

(10) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, 40-acre oil well spacing units and 640-acre gas well spacing units should be established in the subject pool.

IT IS THEREFORE ORDERED:

(1) That a new pool is hereby created and designated the Scarborough Yates-Seven Rivers Pool, with vertical limits extending from the top of the Yates formation to the base of the

(SCARBOROUGH YATES-SEVEN RIVERS POOL -
Cont'd.)

Seven Rivers formation, and horizontal limits comprising the following-described area:

LEA COUNTY, NEW MEXICO

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM

Section 12: E/2

Section 13: E/2

Section 24: E/2

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 7: W/2 and W/2 E/2

Section 18: W/2 and W/2 E/2

Section 19: NW/4, W/2 NE/4, and S/2

Section 29: W/2 and SE/4

Section 30: N/2 and SE/4

Partial Section 31: E/2 and E/2 W/2

Partial Section 32: All

Partial Section 33: W/2 and W/2 E/2

(2) That the horizontal limits of the Jalmat Gas Pool in Lea County, New Mexico, are hereby contracted to delete the above-described area.

(3) That Special Rules and Regulations are hereby promulgated for the Scarborough Yates-Seven Rivers Pool as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
SCARBOROUGH YATES-SEVEN RIVERS POOL

RULE 1. Each well completed or recompleted in the Scarborough Yates-Seven Rivers Pool or in the Yates or the Seven Rivers formations within one mile of the Scarborough Yates-Seven Rivers Pool, and not nearer to or within the limits of another designated oil or gas pool comprising the Yates or the Seven Rivers formations, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed as an oil well shall be located on a standard unit comprising 40 acres, more or less, consisting of a governmental quarter-quarter section.

RULE 3. Each well completed as a gas well shall be located on a standard unit comprising 640 acres, more or less, consisting of a governmental section.

RULE 4. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 3 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey, or the following facts exist and the following provisions are complied with:

(a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.

(b) The non-standard unit lies wholly within a governmental section and contains less acreage than a standard unit.

(c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning

interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.

(d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 5. Each well completed as an oil well shall be located no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 6. Each well completed as a gas well shall be located no nearer than 1980 feet to the outer boundary of the section and no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 7. The Secretary-Director may grant an exception to the requirements of Rule 6 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

RULE 8. Each well with a gas-oil ratio in excess of 100,000 cubic feet of gas per barrel of oil shall be classified as a gas well.

RULE 9. The limiting gas-oil ratio for oil wells shall be 10,000 cubic feet of gas per barrel of oil.

RULE 10. The top allowable for oil wells shall be 128 barrels of oil per day.

IT IS FURTHER ORDERED:

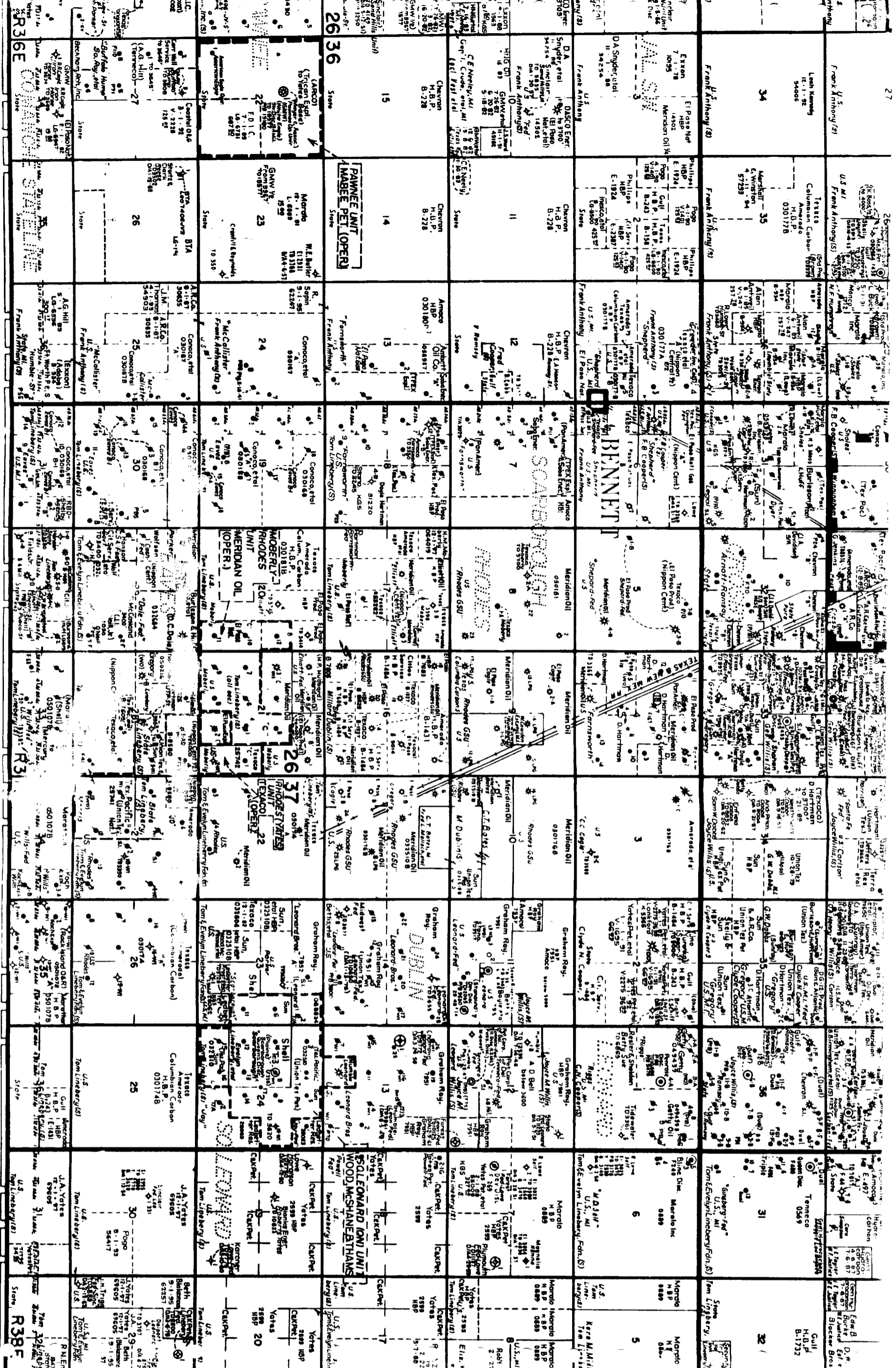
(1) That the locations of all wells presently drilling to or completed in the Scarborough Yates-Seven Rivers Pool or in the Yates or the Seven Rivers formations within one mile of the Scarborough Yates-Seven Rivers Pool, and not nearer to or within the limits of another designated oil or gas pool comprising the Yates or Seven Rivers formations, are hereby approved; that the operator of any well having an unorthodox location shall notify the Commission's Hobbs District Office in writing of the name and location of the well on or before January 1, 1966.

(2) That Order No. R-2947 is hereby superseded.

(3) That the effective date of this order shall be 7:00 o'clock A.M., December 1, 1965.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



WINKLER County

Ownership Map

Southwest LEA COUNTY, NFM

Lease and Fee Information
Posted 12-21-88

P. O. BOX 1229 MIDLAND, TX 79702
TELEPHONE (915) 682-1603
1-800-592-4650

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*          144 3 EGM001P 542 1130 EGM002W *****
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IEF3731 STEP /AM030P07/ START 93203.2011
IEF3741 STEP /AM030P07/ STOP 93203.2012 CPU OMN 00.15SEC SRJ OMN 00.00SEC VIRT 250K SYS 238K EXT 4K SYS 9534K
IEF3851 ALLOC. FOR EGM050T AM030P03 EGM000P
IEF3771 144 ALLOCATED TO SYSOUT
IEF3771 JES2 ALLOCATED TO SORTLIB
IEF3771 726 ALLOCATED TO SORTLIB
IEF1001 942 ALLOCATED TO DDNAME SORTWK01 DATACLASS ( )
IEF1001 941 ALLOCATED TO DDNAME SORTWK02 DATACLASS ( )
IEF1001 942 ALLOCATED TO DDNAME SORTWK03 DATACLASS ( )
IEF3771 642 ALLOCATED TO DDNAME SORTLIB
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IEF1001 140 ALLOCATED TO DDNAME SORTOUT DATACLASS ( )
IEF1501 STATUT DD STATEMENT MISSING
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IEF1421 EGM050T AM030P03 EGM050P - STEP WAS EXECUTED - COND CODE 0000
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IEF2051 JES2-J0809668.00000106 SYSOUT
IEF2051 SYS1.SORTLIB KEPT
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IEF2051 VOL SER NOS= TEMP07.
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IEF2051 SYS93203.1194749.RA000.EGM050T.R0000007 DELETED
IEF2051 VOL SER NOS= TEMP07.
IEF2051 E01.PROD.PARMLIB KEPT
IEF2051 VOL SER NOS= 40P139.
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IEF2051 E01.AM.FOM.DF.SORT.00032V00 CATALOGED
IEF2051 VOL SER NOS= ADP140.
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IEF3731 STEP /AM030P06/ START 93203.2012
IEF3741 STEP /AM030P06/ STOP 93203.2012 CPU OMN 00.11SEC SRJ OMN 00.00SEC VIRT 1040K SYS 284K EXT 6596K SYS 9584K
IEF2051 E01.00000000 KEPT
IEF2051 VOL SER NOS= ADP142.
IEF1001 SYS93203.1194749.RA000.EGM050T.D22SAT DELETED, DDNAME=EGM000P
IEF3731 J03 /EGM050T/ START 93203.1947
IEF3761 J03 /EGM050T/ STOP 93203.2012 CPU OMN 17.20SEC SRJ OMN 05.39SEC
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INPUT/OUTPUT STATISTICS
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CASE 10752: Application of Rand Oil and Gas, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Devonian formation, South Knowles-Devonian Field, underlying the E/2 SW/4 of Section 18, Township 17 South, Range 39 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard location 1980 feet from the North and West lines of said Section 18. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said well is located approximately 2 miles east of Knowles, New Mexico.

CASE 10753: Application of Capataz Operating, Inc. and Leonard Resource Investment Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Seven Rivers formation underlying the SW/4 of Section 11, Township 20 South, Range 38 East. Said unit is to be dedicated to a well to be drilled at a standard location in the SW/4 of said Section 11. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said area is located approximately 2 miles south of Nadine, New Mexico.

CASE 10754: Application of Meridian Oil Inc. for an unorthodox gas well location, non-standard gas proration units, and downhole commingling, Rio Arriba County, New Mexico. Applicant seeks approval to downhole commingle Pictured Cliffs formation and Basin-Fruitland Coal Gas Pool production within the wellbore of its proposed San Juan 28-4 Unit Well No. 225 to be drilled at an unorthodox gas well location for both the Pictured Cliffs formation and the Basin-Fruitland Coal Gas Pool, being 695 feet from the South line and 1375 feet from the West line (Unit N) of Section 7, Township 28 North, Range 4 West. Said well is to be dedicated to a non-standard 229.88-acre gas spacing and proration unit for the Basin-Fruitland Coal Gas Pool being all of irregular Section 7, and to a non-standard 114.60-acre gas spacing unit for the Pictured Cliffs formation being Lots 3, 4 and 5 and the SE/4 (SW/4 equivalent) of Section 7. The well is located approximately 4.25 miles southeast of Gobernador, New Mexico.

CASE 10745: (Continued from June 17, 1993, Examiner Hearing.)

Application of Meridian Oil Inc. for an unorthodox gas well location and downhole commingling, Rio Arriba County, New Mexico. Applicant seeks approval to downhole commingle Choza Mesa-Pictured Cliffs Gas Pool and the Basin-Fruitland Coal Gas Pool production within the wellbore of its proposed Valdez Well No. 5 to be drilled at an unorthodox gas well "off pattern" location for the Basin-Fruitland Coal Gas Pool, being 1820 feet from the West line and 1850 feet from the North line (Unit F) of Section 16, Township 28 North, Range 4 West. Said well is to be dedicated to a standard 320-acre gas spacing unit for the Basin-Fruitland Coal Gas Pool being the N/2 of Section 16 and to a standard 160-acre gas spacing unit for the Choza Mesa-Pictured Cliffs Gas Pool being the NW/4 of Section 16. The well is located approximately 3 miles east of Laguna Seca Mesa.

CASE 10755: Application of Hal J. Rasmussen Operating, Inc. for unorthodox locations and simultaneous dedication, Lea County, New Mexico. Applicant seeks authorization to drill its Eaves A Well No. 18 - 160 feet from the North line and 2173 feet from the East line of Section 30; Eaves A Well No. 19 - 1414 feet from the South line and 3190 feet from the East line of Section 19; Eaves A Well No. 20 - 2570 feet from the South line and 3538 feet from the East line of Section 19; and, Eaves B Well No. 20 - 1414 feet from the South line and 429 feet from the East line of Section 30, all in Township 26 South, Range 37 East, Scarborough Yates-Seven Rivers Pool. Applicant further proposes to simultaneously dedicate the production from said wells with the production from wells on existing proration units. Said wells are located approximately 3 miles south of Bennett, New Mexico.

CASE 10756: Application of Hal J. Rasmussen Operating, Inc. for unorthodox locations and simultaneous dedication, Lea County, New Mexico. Applicant seeks authorization to drill its Sholes A Well No. 9 at an unorthodox location 1300 feet from the South line and 660 feet from the East line and its Sholes A Well No. 10 at an unorthodox location 1300 feet from the North line and 660 feet from the East line of Section 24, Township 25 South, Range 36 East, Jalmat Gas Pool. Applicant further proposes to simultaneously dedicate the production from said wells with the production from wells on existing proration units. Said wells are located approximately 1 mile west of Jal, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - JULY 1, 1993
8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 20-93 and 21-93 are tentatively set for July 15, 1993 and July 29, 1993. Applications for hearing must be filed at least 23 days in advance of hearing date.

The following cases will be heard before Michael E. Stogner, Examiner or David R. Catanach, Alternate Examiner:

CASE 10750: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant seeks approval of the Wagon Unit Agreement for an area comprising 4,844.60 acres of the State and Fee lands in portions of Townships 22 and 23 South, Ranges 22 and 23 East, which is centered approximately at the H-Bar-Y Ranch.

CASE 10751: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Beartooth State Unit Agreement for an area comprising 2,468.72 acres, more or less, of State and Fee lands in Sections 22, 23, 26, 27, 34, and 35 of Township 26 South, Range 36 East, which is centered approximately 4 miles southwest of Bennett, New Mexico.

CASE 10742: (Continued from June 17, 1993, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill to Sunflower "AHW" Federal Well No. 2 at a unorthodox location 660 feet from the North and East lines (Unit A) of Section 31, Township 19 South, Range 24 East. The N/2 of said Section 31 is to be dedicated to the well. Applicant further requests approval of the unorthodox location as to all prospective pools of formations including but not limited to the Abo, Wolfcamp, Cisco, Canyon, Strawn, Atoka and Morrow spaced on 320-acres. Said well is located approximately 8 miles south by southeast of Antelope Sink.

CASE 10707: (Readvertised)

Application of Amoco Production Company for a CO₂ injection pilot project and an exception to Rule 4, Order No. R-8768-A, San Juan County, New Mexico. Applicant seeks approval of a CO₂ injection pilot project and authority for a second producing well on a 320-acre spacing unit in the Basin-Fruitland Coal Gas Pool consisting of the N/2 of Section 23, Township 30 North, Range 9 West. This project is located approximately 2 miles west of Navajo Dam.

CASE 10747: (Readvertised)

Application of Nearburg Producing Company for salt water disposal, Lea County, New Mexico. Applicant seeks authority to convert its M.H. Federal Well No. 1-1N located 660 feet from the South line and 1650 feet from the West line (Unit N) of Section 1, Township 22 South, Range 24 East, and utilize said well to dispose of produced salt water into the Cisco Canyon formation through the perforated interval from approximately 8219 feet to 8380 feet. Said well is located 1 mile east of Little Walt Spring.

CASE 10541: (Reopened - Continued from June 17, 1993, Examiner Hearing.)

In the matter of Case 10541 being reopened pursuant to the provisions of Division Order No. R-9773, which order promulgated special pool rules and regulations for the East Herradura Bend-Delaware Pool in Eddy County. Operators in said pool may appear and present evidence and show cause why the foregoing Special Rules and Regulations should remain in effect.

CASE 10717: (Continued from June 17, 1993, Examiner Hearing.)

Application of Davcro Inc. for salt water disposal, Lea County, New Mexico. Applicant seeks authority to re-enter the previously plugged and abandoned Cactus Drilling Corporation Sawyer Deep Well No. 1 located 330 feet from the South line and 2310 feet from the West line (Unit N) of Section 19, Township 9 South, Range 38 East, and utilize said well to dispose of produced salt water into the Sawyer-San Andres Associated Pool through the open-hole interval from approximately 5120 feet to 5600 feet. Said well is located approximately 4.5 miles east of Crossroads, New Mexico.

CASE 10749: (Continued from June 17, 1993, Examiner Hearing.)

Application of Devon Energy Corporation for pool creation and special pool rules, Eddy County, New Mexico. Applicant seeks the promulgation of special rules for the Ingle Wells-Delaware Pool located in portions of Sections 26 and 35 of Township 23 South, Range 31 East and in a portion of Section 2, Township 24 South, Range 31 East, including a provision for a gas-oil limitation of 5000 cubic feet of gas per barrel of oil. Said area is located approximately 2 miles west of mile marker 19 on highway 128.

CASE 10760: (Continued from July 1, 1993, Examiner Hearing.)

Application of Breck Operating Corporation for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the W/2 of Section 20, Township 28 North, Range 10 West, forming a standard 320-acre gas spacing and proration unit for said pool developed within said vertical extent. Said unit is to be dedicated to its Kutz-Government Well No. 9, recompleted at an approved unorthodox location within said W/2 proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said well is located approximately 5 miles southeast of Bloomfield, New Mexico.

CASE 10752: (Readvertised)

Application of Rand Oil and Gas, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Devonian formation or to a depth of 12,200 feet, whichever is deeper, underlying the E/2 NW/4 of Section 18, Township 17 South, Range 39 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which presently includes only the South Knowles-Devonian Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location 1980 feet from the North and West lines (Unit F) of said Section 18. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 3 miles east of Knowles, New Mexico.

CASE 10776: **Application of Drum Energy Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Blinberry formation, or 6200 feet, whichever is deeper, underlying the SW/4 of Section 35, Township 19 South, Range 38 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, if the proposed well is a gas well, or the SE/4 SW/4 of said Section 35 forming a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent if the proposed well is an oil well. Said unit is to be dedicated to a well to be drilled at a standard location 1100 feet from the South line and 1980 feet from the West line in said Section 35. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said well is located approximately 1/2 mile south of Nadine, New Mexico.

CASE 10776: (Continued from July 1, 1993, Examiner Hearing.)

Application of Hal J. Rasmussen Operating, Inc. for unorthodox locations and simultaneous dedication, Lea County, New Mexico. Applicant seeks authorization to drill its Eaves A Well No. 18 - 160 feet from the North line and 2173 feet from the East line of Section 30; Eaves A Well No. 19 - 1414 feet from the South line and 3190 feet from the East line of Section 19; Eaves A Well No. 20 - 2570 feet from the South line and 3538 feet from the East line of Section 19; and, Eaves B Well No. 20 - 1414 feet from the South line and 429 feet from the East line of Section 30, all in Township 26 South, Range 37 East, Scarborough Yates-Seven Rivers Pool. Applicant further proposes to simultaneously dedicate the production from said wells with the production from wells on existing proration units. Said wells are located approximately 3 miles south of Bennett, New Mexico.

CASE 10756: (Continued from July 1, 1993, Examiner Hearing.)

Application of Hal J. Rasmussen Operating, Inc. for unorthodox locations and simultaneous dedication, Lea County, New Mexico. Applicant seeks authorization to drill its Sholes A Well No. 9 at an unorthodox location 1300 feet from the South line and 660 feet from the East line and its Sholes A Well No. 10 at an unorthodox location 1300 feet from the North line and 660 feet from the East line of Section 24, Township 25 South, Range 36 East, Jalmat Gas Pool. Applicant further proposes to simultaneously dedicate the production from said wells with the production from wells on existing proration units. Said wells are located approximately 1 mile west of Jal, New Mexico.

**DOCKET: EXAMINER HEARING - THURSDAY - JULY 29, 1993
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO**

Dockets Nos. 23-93 and 24-93 are tentatively set for August 12, 1993 and August 26, 1993. Applications for hearing must be filed at least 23 days in advance of hearing date.

The following cases will be heard before Michael E. Stogner, Examiner or David R. Catanach, Alternate Examiner:

CASE 10774: Application of Santa Fe Energy Operating Partners, L. P. for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Thistle Unit Agreement for an area comprising 4,880 acres, more or less, of Federal and State lands in Sections 20, 21, 22, 27, 28, 29, 32, 33, and 34, Township 23 South, Range 33 East, which is centered approximately 4 miles north of mile marker 27 and State Highway 128.

CASE 10775: Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox infill gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant seeks approval of an unorthodox well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 1, Township 24 South, Range 28 East, Malaga-Atoka Gas Pool. Further, the applicant seeks an exception to Division General Rule 104.c(2) to allow the existing 320-acre gas spacing and proration unit comprising the S/2 of said Section 1 to be simultaneously dedicated in the Malaga-Atoka Gas Pool to the proposed well and to the existing Malaga Federal 1 Well No. 1 located at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 1. Said unit is located approximately 2 miles northeast of Malaga, New Mexico.

CASE 10767: (Continued from July 15, 1993, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco/Canyon formation underlying all of Section 5, Township 22 South, Range 24 East, forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent. Said unit is to be dedicated to its reentry of the Discovery Operating Walt Canyon 5 Fed Well No. 1 at a standard location in said Section 5. Also to be considered will be the cost of reentering and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in reentering and completing said well. Said well is located approximately 2 miles south of the Tepee.

CASE 10768: (Readvertised)

Application of Santa Fe Energy Operating Partners, L.P. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco/Canyon formation underlying all of Section 8, Township 22 South, Range 24 East, forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent. Said unit is to be dedicated to a well drilled at an orthodox location in said Section 8. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said well is located approximately 3 miles south of the Tepee.

CASE 10759: (Continued from July 1, 1993, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 9, Township 24 South, Range 25 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said unit is to be dedicated to its Mosley Canyon 9 State Com Well No. 1, to be drilled at an orthodox location within said N/2 proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said well is located approximately 4 miles north of White City.