

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P. FOR
POOL CONTRACTION AND EXPANSION,
EDDY COUNTY, NEW MEXICO.

CASE NO. 10986

APPLICATIONS OF SANTA FE ENERGY
OPERATING PARTNERS, L.P. FOR
AN UNORTHODOX GAS WELL LOCATION
AND NON-STANDARD GAS PRORATION
UNIT, EDDY COUNTY, NEW MEXICO.

CASE NOS. 10977,
10988, and 10989

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Gary Green, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18 and have personal knowledge of the matters stated herein.

2. I am an employee of Applicant herein.

3. Applicant has conducted a good faith, diligent effort to find the correct addresses of interest owners entitled to receive notice of the Applications herein.

4. Notice of the Applications was provided to the interest owners at their correct addresses by mailing them, by certified mail, copies of the Applications. Copies of the notice letter and certified return receipts are attached hereto.

5. Applicant has complied with the notice provisions of Rule 1207.

NEW MEXICO
OIL CONSERVATION DIVISION

Santa Fe EXHIBIT 2

Gary Green
Gary Green

CASE NO. _____

SUBSCRIBED AND SWORN TO before me this 7th day of June,
1994, by Gary Green.

Juan Romero
Notary Public

My Commission Expires:

8-15-95

Santa Fe Energy Operating Partners, L.P.

Santa Fe Pacific Exploration Company
Managing General Partner

CERTIFIED MAIL-RETURN RECIEPT

May 19, 1994

TO: OFFSET OPERATORS
(See Attached List)

Re: Application for Contraction and
Expansion of a Pool & Non-Standard
Locations
Old Ranch Knoll 7 Fed. No. 1
Old Ranch Knoll 7 Fed. No. 2
James Ranch 4 Fed. No. 1
Nagooltee Peak 5 Fed. No. 2
Eddy County, New Mexico

Gentlemen:

Enclosed are applications filed at the New Mexico Oil Conservation Division by Santa Fe Energy Operating Partners, L.P.'s which are as follows:

1. Application for Contraction of a Pool and Expansion of a Pool

Sections 4-8, Township 22 South, Range 24 East
Section 1, Township 22 South, Range 24 East

2. Unorthodox Well Location and Non-Standard Spacing and Proration Unit

- a.) E/2 Section 7, Township 22 South, Range 24 East
- b.) W/2 Section 7, Township 22 South, Range 24 East
- c.) S/2 Section 4, Township 22 South, Range 24 East
- d.) N/2 Section 5, Township 22 South, Range 24 East

These matters are scheduled for hearing on Thursday, June 9, 1994 at 8:15 a.m. at the

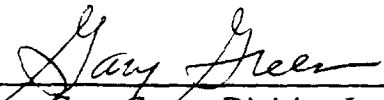
Central Division
550 W. Texas, Suite 1330
Midland, Texas 79701
915/687-3551

May 19, 1994
Page -2-

Division's offices at 310 Old Santa Fe Trail, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date.

Very truly yours,

SANTA FE ENERGY OPERATING PARTNERS, L.P.
By: Santa Fe Pacific Exploration Company
Managing General Partner

By: 
Gary Green, Division Landman

GG: kst
Enclosures

OFFSET / FIELD OPERATORS

AMA Oil & Gas, Inc. C 158 947 322
P.O. Box 42806
Houston, Texas 77042
Attn: Land Department

MW Petroleum Corporation C 158 947 316
3300 North "A" Street, Suite 8220
Midland, Texas 79705
Attn: Land Department

Texaco Exploration & Production, Inc. C 158 947 319
P.O. Box 2100
Denver, Colorado 80202
Attn: R. O'Dwyer

Musselman, Owen, & King Operating C 158 947 323
712 Main Street, Suite 2150
Houston, Texas 77002
Attn: Henry G. Musselman

Marathon Oil Company C 158 947 327
125 West Missouri Street
Midland, Texas 79702
Attn: Wayne Ransbottom

Devon Energy Corporation C 158 947 324
1500 Mid-American Tower
20 North Broadway
Oklahoma City, Oklahoma 73102
Attn: Bob Shelton

Nearburg Producing Company C 158 947 326
401 E. Illinois, Suite 300 3300 North "A"
Midland, Texas 79701 Bldg 2, Suite 220
Attn: Bob Shelton Midland, TX 79705

Kerr-McGee Corporation C 158 947 320
P.O. Box 25861
Oklahoma City, Oklahoma 73125
Attn: John O'Brien

OFFSET / FIELD OPERATORS

Page -4-

Citation Oil & Gas Corporation C 158 947 321
8223 Willow Place South, Suite 250
Houston, Texas 77070
Attn: Bob Whitworth

Oryx Energy Company C 158 947 317
P.O. Box 2880
Dallas, Texas 75221
Attn: Alan Beers

Southwest Royalties, Inc C 158 947 318
P.O. Box 11390
Midland, Texas 79702
Attn: Philip Schlichting

Chevron U.S.A. Inc. C 158 947 315
P.O. Box 1150
Midland, Texas 79702
Attn: Mickey Cohlma

Yates Petroleum Corporation C 158 947 325
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Robert Bullock

Anadarko Petroleum Corporation C 158 947 328
400 W. Illinois
Midland, Texas 79701
Attn: Curt Ary

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to: ATTN: R. O'Dwyer TEXACO EXPLORATION & PROD., INC. P.O. Box 2100 Denver, Colorado 80202		4a. Article Number P 158 947 319
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
		7. Date of Delivery 5-23
5. Signature (Addressee)		8. Addressee's Address (Only if requested and fee is paid)
6. Signature (Agent) 		

Thank you for using Return Receipt Service.

PS Form 3811, December 1991 *U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT

SENDER:

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- Complete items 3, and 4a & b.
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3. Article Addressed to: ATTN: Henry G. Musselman Musselman, Owen & King Operating, Inc. 712 Main Street, Suite 2150 Houston, Texas 77002		4a. Article Number P 158 947 323
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
		7. Date of Delivery 5-23
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6. Signature (Agent) 		

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- Complete items 3 and 4a & b.
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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
AMA Oil & Gas, Inc.
P.O. Box 42806
Houston, Texas 77042

4a. Article Number

P 158 947 322

4b. Service Type

☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery 1/10/94

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3811, December 1991

U.S. GPO: 1992-323-402

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- Complete items 3 and 4a & b.
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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
ATTN: Bob Whitworth
CITATION OIL & GAS CORP.
8223 Willow Place South,
Suite 250
Houston, Texas 77070

4a. Article Number

P 158 947 321

4b. Service Type

☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery 5/23/91

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3811, December 1991

U.S. GPO: 1992-323-402

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1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Kerr-McGee Corporation
P.O. Box 25861
Oklahoma City, Oklahoma 73125
ATTN: John O'Brien

4a. Article Number

P 158 947 320

4b. Service Type

☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3811, December 1991

U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

ILLEGIBLE

PS Form 3811, December 1991 *U.S. GPO: 1992-323-402

SENDER:

- Complete items 1 and 2 for additional services
- Complete items 3 and 4
- Print your name and address on the reverse of this form so that we can return this card to you
- Attach this form to the front of the mailpiece, or on the back if space does not permit
- Write "Return Receipt Requested" on the mailpiece below the article number
- The Return Receipt will show to whom the article was delivered and the date delivered

3. Article Addressed to:

ATTN: Bob Shelton
Nearburg Producing Company
401 E. Illinois, Suite 300
Midland, Texas 79701
3300 North A
Blair 2, Suite 129, Midland

4a. Article Number
P 158 947 326

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery
5-24-94

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)
Layne Edwards

6. Signature (Agent)

Thank you for using Return Receipt Service.

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SENDER:

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- Complete items 3 and 4
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- The Return Receipt will show to whom the article was delivered and the date delivered

3. Article Addressed to:

ORYX ENERGY COMPANY
P.O. Box 2880
Dallas, Texas 75221
ATTN: Alan Beers

4a. Article Number
P 158 947 317

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery
MAY 23 1994

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)

6. Signature (Agent)
Ngn

Thank you for using Return Receipt Service.

PS Form 3811, December 1991 *U.S. GPO: 1992-323-402

SENDER:

- Complete items 1 and 2 for additional services
- Complete items 3 and 4
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- Attach this form to the front of the mailpiece, or on the back if space does not permit
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3. Article Addressed to:

ATTN: Steve Cromwell
Devon Energy Corporation
1500 Mid-America Tower
20 North Broadway
Oklahoma City, Oklahoma 73102

4a. Article Number
P 158 947 324

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery
5/23/94

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)
Steve Cromwell

6. Signature (Agent)

Thank you for using Return Receipt Service.

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- Complete items 3 and 4
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- Write "Return Receipt Requested" on the mailpiece below the article number
- The Return Receipt will show to whom the article was delivered and the date delivered

3. Article Addressed to:

Attn: Wayne Ransbottom
Marathon Oil Company
125 West Missouri Street
Midland, Texas 79702

4a. Article Number
P 158 947 327

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery
5-23-94



8. Addressee's Address (Only if requested and fee is paid)

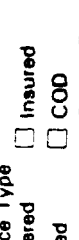
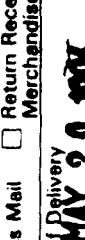
5. Signature (Addressee)
Lilly Edens

6. Signature (Agent)

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<p>Fill in this form to be sent to the publisher along with your payment. Send this form to the publisher along with your payment.</p> <p>1. Complete items 1 and 2.</p> <p>2. Print your name and address on the reverse of this form so that we can return this card to you.</p> <p>3. Attach this form to the front of the magazine or on the back of space cover and print:</p> <p>4. Write: <i>Reprints Requested on the magazine below the article number.</i></p> <p>5. The Reprints Request will show to whom the article was delivered and the date delivered.</p>	<p>4a Article Addressed to</p> <p>ATTN: Philip Schlichting Southwest Royalties, Inc. P.O. Box 11390 Midland, Texas 79702</p>	<p>4b Service Type:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured</p> <p><input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>5-25-94</p>	<p>6 Signature (Agent)</p> <p><i>W. G. Gurner</i></p> <p>7 Date of Delivery</p> <p>8 Addressee's Address (Only if requested and fee is paid)</p> <p>1 Addressee's Address</p> <p>2 Restricted Delivery</p> <p>Consult postmaster for fee.</p>
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3. Article Addressed to: ATTN: Mickey Cohlman CHEVRON USA INC. P.O. Box 1150 Midland, Texas 79702		4a. Article Number P 158 947 315	
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
5. Signature (Addressee) 		7. Date of Delivery MAY 20 1994	
6. Signature (Agent) 		8. Addressee's Address (Only if requested and fee is paid)	

SENDER: 1. Complete items 1 and 2 for additional services. 2. Complete items 3 and 4. 3. Print your name and address on the reverse of this form so that we can return this card to you. 4. Attach this form to the front of the mailpiece, or on the back if space does not permit.	I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
3. Article Addressed to: ATTN: Robert Bullock Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210	4a. Article Number P158 947 325 4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise 7. Date of Delivery MAY 20 1991
5. Signature (Addressee) 	8. Addressee's Address (Only if requested and fee is paid)
6. Signature (Agent) 	

SENDER: • Complete items 1 and 2 for additional services. • Complete items 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered.		1. Article Addressed to: Anadarko Petroleum Corp. 400 W. Illinois Midland, Texas 79701 Attn: Curt Ary		3. Article Number P 158 947 328	
4a. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise		4b. Date of Delivery 5-20-94		5. Addressee's Address (Only if requested and fee is paid) 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
6. Signature (Agent) <i>Curt Ary</i>		7. Signature (Addressee)		8. Addressee's Address (Only if requested and fee is paid)	

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and 2 for additional services
- Complete items 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100
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- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery

Consult postmaster for fee

3. Article Addressed to:

MW Petroleum Corporation
3300 North "A" Street,
Suite 8220
Midland, Texas 79705

4a. Article Number

P 158 947 316

4b. Service Type

☐ Registered ☐ Insured

☒ Certified ☐ COD

☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

5-20-94

5. Signature (Addressee)

Alvin G. Korte

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION FOR CONTRACTION
OF A POOL AND EXPANSION OF A
POOL, EDDY COUNTY, NEW MEXICO.

MAY 17 1994

No. _____

APPLICATION

Applicant Santa Fe Energy Operating Partners, L.P. hereby applies to the Division for an order contracting the boundaries of the Indian Basin-Upper Pennsylvanian Gas Pool, and extending the boundaries of the Indian Basin-Upper Pennsylvanian Associated Pool, and in support thereof states:

1. Applicant owns leasehold working interests in the above-described pools.

2. The Indian Basin-Upper Pennsylvanian Gas Pool ("the Gas Pool") includes, among other acreage, the following land:

Township 22 South, Range 24 East, N.M.P.M.

§ 4: All

§ 5: All

§ 6: All

§ 7: All

§ 8: All

Township 22 South, Range 23 East, N.M.P.M.

§ 1: All

3. Wells were previously completed in the Gas Pool in said §§ 1, 4, 5, 6, 7, and 8 as gas wells. Said wells are now depleted and have been abandoned.

4. In July 1993, the Indian Basin-Upper Pennsylvanian Associated Pool ("the Associated Pool") was created for production

of hydrocarbons from the Cisco/Canyon formation. The interval produced from the Associated Pool is the same dolomite section, but structurally lower, as that produced in the Gas Pool, and is the "oil leg" of the Cisco/Canyon interval.

5. Applicant has completed wells in the SW of Section 5 and the SW of Section 8 as oil wells in the Cisco/Canyon formation. Additional wells are planned.

6. As a result, future production from the Cisco/Canyon formation from the above-described acreage will be from the interval produced in the Associated Pool.

7. Therefore, Applicant requests that the Gas Pool be contracted to delete §§ 4-8 of Township 22 South, Range 24 East, and Section 1 of Township 22 South, Range 23 East, and that the Associated Pool be expanded to include said acreage.

8. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Applicant requests that, after hearing, the above relief be granted.

Respectfully submitted,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By:


James Bruce

Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Santa Fe Energy
Operating Partners, L.P.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P. FOR AN
UNORTHODOX WELL LOCATION AND A
NON-STANDARD SPACING AND PRORATION
UNIT, EDDY COUNTY, NEW MEXICO.

MAY 17 1964

No. 10,977

AMENDED APPLICATION

Santa Fe Energy Operating Partners, L.P. hereby makes application for an unorthodox well location and a non-standard spacing and proration unit in the E $\frac{1}{2}$ of Section 7, Township 22 South, Range 24 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in the E $\frac{1}{2}$ of said Section 7.

2. Applicant proposes to drill its Old Ranch Canyon 7 Fed. No. 1 Well at an unorthodox location 660 feet from the North line and 1980 feet from the East line of the Section, to a depth sufficient to test the Cisco/Canyon formation.

3. The proposed well is within the boundaries of the Indian Basin-Upper Pennsylvanian Gas Pool, which is spaced on 640 acres pursuant to Order No. R-2240. Applicant will complete the well in the interval producing in the adjoining Indian Basin-Upper Pennsylvanian Associated Pool, which is spaced on 320 acres. Based on recent well completions in the immediate area, Applicant anticipates the well will be completed as an oil well. As a result, Applicant seeks to dedicate the E $\frac{1}{2}$ of Section 7 to the well, and form a 320 acre non-standard spacing and proration unit, as permitted by Rule 3 of Order No. R-2440.

4. The unorthodox location is necessitated by both topographic/environmental and geologic reasons.

5. Concurrently with the filing of this application, Applicant has filed an application to contract the boundaries of the Indian Basin-Upper Pennsylvanian Gas Pool by deleting therefrom all of Section 7, Township 22 South, Range 24 East, N.M.P.M., and simultaneously expand the boundaries of the Indian Basin-Upper Pennsylvanian Associated Pool to include said acreage. Under the special pool rules for the Indian Basin-Upper Pennsylvanian Associated Pool, the above location and unit are standard. This application is made in the event the contraction/extension application is denied.

6. The approval of the unorthodox well location and non-standard unit will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that the Division grant the relief requested above.

Dated: May 17, 1994.

Respectfully submitted,

HINKLE, COX, EATON,
COFFIELD & HENSLEY



JAMES BRUCE
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Applicant

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P. FOR AN
UNORTHODOX WELL LOCATION AND A
NON-STANDARD SPACING AND PRORATION
UNIT, EDDY COUNTY, NEW MEXICO.

MAY 17 1994

No. _____

OIL CONSERVATION DIVISION

APPLICATION

Santa Fe Energy Operating Partners, L.P. hereby makes application for an unorthodox well location and a non-standard spacing and proration unit in the W $\frac{1}{4}$ of Section 7, Township 22 South, Range 24 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in the W $\frac{1}{4}$ of said Section 7.
2. Applicant proposes to drill its Old Ranch Canyon 7 Fed. No. 2 Well at an unorthodox location 1600 feet from the North line and 1650 feet from the West line of the Section, to a depth sufficient to test the Cisco/Canyon formation.
3. The proposed well is within the boundaries of the Indian Basin-Upper Pennsylvanian Gas Pool, which is spaced on 640 acres pursuant to Order No. R-2240. Applicant will complete the well in the interval producing in the adjoining Indian Basin-Upper Pennsylvanian Associated Pool, which is spaced on 320 acres. Based on recent well completions in the immediate area, Applicant anticipates the well will be completed as an oil well. As a result, Applicant seeks to dedicate Lots 1-4 and the E $\frac{1}{4}$ W $\frac{1}{4}$ (W $\frac{1}{4}$ equivalent) of Section 7 to the well, and form a 297.68 acre non-

standard spacing and proration unit, as permitted by Rule 3 of Order No. R-2440.

4. The unorthodox location is necessitated by both topographic/environmental and geologic reasons.

5. Concurrently with the filing of this application, Applicant has filed an application to contract the boundaries of the Indian Basin-Upper Pennsylvanian Gas Pool by delisting therefrom all of Section 7, Township 22 South, Range 24 East, N.M.P.M., and simultaneously expand the boundaries of the Indian Basin-Upper Pennsylvanian Associated Pool to include said acreage. Under the special pool rules for the Indian Basin-Upper Pennsylvanian Associated Pool, the above location and unit are non-standard.

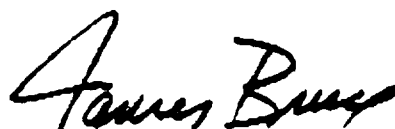
6. The approval of the unorthodox well location and non-standard unit will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that the Division grant the relief requested above.

Dated: May 17, 1994.

Respectfully submitted,

HINKLE, COX, EATON,
COFFIELD & HENSLEY



James Bruce
Post Office Box 2068
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Attorneys for Applicant

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UNIT, EDDY COUNTY, NEW MEXICO.

MAY 17 1994

No. _____

APPLICATION

Santa Fe Energy Operating Partners, L.P. hereby makes application for an unorthodox well location and a non-standard spacing and proration unit in the S $\frac{1}{4}$ of Section 4, Township 22 South, Range 24 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in the S $\frac{1}{4}$ of said Section 4.
2. Applicant proposes to drill its Jones Canyon 4 Fed. No. 1 Well at an unorthodox location 660 feet from the South line and 1950 feet from the West line of the Section, to a depth sufficient to test the Cisco/Canyon formation.
3. The proposed well is within the boundaries of the Indian Basin-Upper Pennsylvanian Gas Pool, which is spaced on 640 acres pursuant to Order No. R-2240. Applicant will complete the well in the interval producing in the adjoining Indian Basin-Upper Pennsylvanian Associated Pool, which is spaced on 320 acres. Based on recent well completions in the immediate area, Applicant anticipates the well will be completed as an oil well. As a result, Applicant seeks to dedicate the S $\frac{1}{4}$ of Section 4 to the well, and form a 320 acre non-standard spacing and proration unit, as permitted by Rule 3 of Order No. R-2440.

4. The unorthodox location is necessitated by both topographic/environmental and geologic reasons.

5. Concurrently with the filing of this application, Applicant has filed an application to contract the boundaries of the Indian Basin-Upper Pennsylvanian Gas Pool by deleting therefrom all of Section 4, Township 22 South, Range 24 East, N.M.P.M., and simultaneously expand the boundaries of the Indian Basin-Upper Pennsylvanian Associated Pool to include said acreage. Under the special pool rules for the Indian Basin-Upper Pennsylvanian Associated Pool, the above location and unit are standard. This application is made in the event the contraction/extension application is denied.

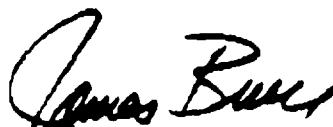
6. The approval of the unorthodox well location and non-standard unit will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that the Division grant the relief requested above.

Dated: May 17, 1994.

Respectfully submitted,

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UNIT, EDDY COUNTY, NEW MEXICO.

MAY 17 1994

No. _____

APPLICATION

Santa Fe Energy Operating Partners, L.P. hereby makes application for an unorthodox well location and a non-standard spacing and proration unit in the N $\frac{1}{4}$ of Section 5, Township 22 South, Range 24 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in the N $\frac{1}{4}$ of said Section 5.

2. Applicant proposes to drill its Nagooltee Peak 5 Fed. No. 2 Well at an unorthodox location 1562 feet from the North line and 1202 feet from the West line of the Section, to a depth sufficient to test the Cisco/Canyon formation.

3. The proposed well is within the boundaries of the Indian Basin-Upper Pennsylvanian Gas Pool, which is spaced on 640 acres pursuant to Order No. R-2240. Applicant will complete the well in the interval producing in the adjoining Indian Basin-Upper Pennsylvanian Associated Pool, which is spaced on 320 acres. Based on recent well completions in the immediate area, Applicant anticipates the well will be completed as an oil well. As a result, Applicant seeks to dedicate Lots 1-4 and the S $\frac{1}{4}$ N $\frac{1}{4}$ (N $\frac{1}{4}$ equivalent) of Section 5 to the well, and form a 372.88 acre non-

standard spacing and proration unit, as permitted by Rule 3 of Order No. R-2440.

4. The unorthodox location is necessitated by both topographic/environmental and geologic reasons.

5. Concurrently with the filing of this application, Applicant has filed an application to contract the boundaries of the Indian Basin-Upper Pennsylvanian Gas Pool by deleting therefrom all of Section 5, Township 22 South, Range 24 East, N.M.P.M., and simultaneously expand the boundaries of the Indian Basin-Upper Pennsylvanian Associated Pool to include said acreage. Under the special pool rules for the Indian Basin-Upper Pennsylvanian Associated Pool, the above location and unit are non-standard.

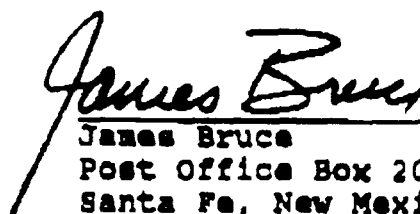
6. The approval of the unorthodox well location and non-standard unit will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that the Division grant the relief requested above.

Dated: May 17, 1994.

Respectfully submitted,

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