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W. Thomas Kellahin
Karen Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law
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Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

January 20, 1986

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Mr. Richard L. Stamets
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

JAN 20 1986

OIL CONSERVATION DIVISION

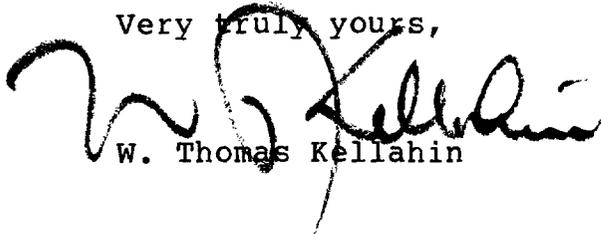
Case 88341

Re: Cities Service Oil & Gas

Dear Mr. Stamets:

Please set the enclosed First Amended Application for hearing at the Examiner hearing now scheduled for February 19, 1986.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: E. F. Motter
Cities Service Oil & Gas Corp.
P. O. Box 1919
Midland, Texas 79702

John C. Lovett, Esq.
Cities Service Oil & Gas Corp.
P. O. Box 300
Tulsa, Oklahoma 74102

Charles R. Mitchell
Cities Service Oil & Gas Corp.
P. O. Box 3908
Tulsa, Oklahoma 74102

Durham Corporation
P. O. Box 204
Midland, Texas 79702

Yates Petroleum Corporation
207 S. Fourth Street
Artesia, New Mexico 88210

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Page 2

Exxon Corporation
P. O. Box 1600
Midland, Texas 79702

F. H. Miles
P. O. Box 465
Midland, Texas 79702

Ralph Way
P. O. Box 465
Midland, Texas 79702

R. O. Cannon
300 N. Marienfield
Midland, Texas 79701

Monsanto Oil Company
Suite 1300
One-First City Center
Midland, Texas 79701

Houston Natural Gas Company
P. O. Box 2267
Midland, Texas 79702

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

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OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF CITIES SERVICE OIL & GAS
CORPORATION FOR CREATION OF A
NEW OIL POOL, DISCOVERY ALLOWABLE,
ADOPTING OF SPECIAL POOL RULES,
INCLUDING 80-ACRE SPACING AND
FOR APPROVAL OF AN UNORTHODOX WELL
LOCATION, LEA COUNTY, NEW MEXICO.

CASE: 8834

FIRST AMENDED
A P P L I C A T I O N

Comes now CITIES SERVICE OIL & GAS CORPORATION, by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for a discovery allowable for its Elkan Well located 990 feet FWL and 1650 feet FSL, Section 25, T13S, R34E, NMPM, Lea County, New Mexico, for the creation of a new oil pool for the Bough "C" Lower Penn to consist of the W/2SW/4 of said section, for adoption of Special Pool rules, including 80 acre spacing, and for approval of the said Elkan discovery well as an unorthodox well location for said pool, and in support thereof would show:

1. Applicant is the operator of its Elkan Well located 990 feet FWL and 1650 feet FSL, Section 25, T13S, R34E, NMPM, Lea County, New Mexico.

2. The subject well constitutes a new oil pool discovery well in the Bough "C" (lower Penn) and should be designated a new oil pool with the subject well granted an appropriate discovery allowable.

3. That the W/2SW/4 of said section should constitute the spacing and proration unit to which the subject discovery well will be dedicated.

4. That Special Pool Rules for the new pool should be adopted to include:

(a) 80-acres spacing, and

(b) well locations within 150 feet of the center of any governmental quarter-quarter section within an 80-acre spacing unit.

5. Applicant seeks the temporary special rules and regulations for a one-year period in order to allow the operators in the subject pool to gather reservoir and geologic information to establish the area that can be efficiently and economically drained and developed by one well.

6. That the discovery well should be granted an unorthodox well location 990 feet FWL and 1650 feet FSL of said section and that subsequent well should be at standard locations as provided by the special rules.

7. On January 17, 1986, pursuant to Division Rule 1207, as amended (Order R-8054) applicant has sent notice by regular mail to the following operators within one (1) mile of the boundaries of the proposed pool:

Durham Corporation
P. O. Box 204
Midland, Texas 79702

Yates Petroleum Corporation
207 S. Fourth Street
Artesia, New Mexico 88210

Exxon Corporation
P. O. Box 1600
Midland, Texas 79702

F. H. Miles
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Suite 1300
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Midland, Texas 79701

Houston Natural Gas Company
P. O. Box 2267
Midland, Texas 79702

7. That approval of this application is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

Kellahin & Kellahin

By 

W. Thomas Kellahin
P. O. Box 2265
Santa Fe, NM 87504

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

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January 17, 1986

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Oil Conservation Division
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OIL CONSERVATION DIVISION

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STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF CITIES SERVICE OIL & GAS
CORPORATION FOR CREATION OF A
NEW OIL POOL, DISCOVERY ALLOWABLE,
ADOPTING OF SPECIAL POOL RULES,
INCLUDING 160-ACRE SPACING AND
FOR APPROVAL OF AN UNORTHODOX WELL
LOCATION, LEA COUNTY, NEW MEXICO.

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JAN 17 1966

OIL CONSERVATION DIVISION

CASE:

A P P L I C A T I O N

Comes now CITIES SERVICE OIL & GAS CORPORATION, by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for a discovery allowable for its Elkan Well located 990 feet FWL and 1650 feet FSL, Section 25, T13S, R34E, NMPM, Lea County, New Mexico, for the creation of a new oil pool for the Bough "C" Lower Penn to consist of the SW/4 of said section, for adoption of Special Pool rules and for approval of the said Elkan discovery well as an unorthodox well location for said pool, and in support thereof would show:

1. Applicant is the operator of its Elkan Well located 990 feet FWL and 1650 feet FSL, Section 15, T13S, R34E, NMPM, Lea County, New Mexico.

2. The subject well constitutes a new oil pool discovery well in the Bough "C" (lower Penn) and should be designated a new oil pool with the subject well granted an appropriate discovery allowable.

3. That the SW/4 of said section should constitute the spacing and proration unit to which the subject discovery well will be dedicated.

4. That Special Pool Rules for the new pool should be adopted to include:

(a) 160-acres spacing, and

(b) well locations within 150 feet of the center of any governmental quarter-quarter section within a 160-acre spacing unit.

5. Applicant seeks the temporary special rules and regulations for a one-year period in order to allow the operators in the subject pool to gather reservoir and geologic information to establish the area that can be efficiently and economically drained and developed by one well.

6. That the discovery well should be granted an unorthodox well location 990 feet FWL and 1650 feet FSL of said section and that subsequent well should be at standard locations as provided by the special rules.

7. On January 17, 1986, pursuant to Division Rule 1207, as amended (Order R-8054) applicant has sent notice by regular mail to the following operators within one (1) mile of the boundaries of the proposed pool:

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