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

RECEIVED

IN THE MATTER OF THE APPLICATION OF MERIDIAN OIL INC. TO AMEND THE SPECIAL RULES AND REGULATIONS OF THE BENSON-STRAWN OIL POOL, EDDY COUNTY, NEW MEXICO.

FE3 24 1987

OIL CONSERVATION DIVISION CASE: 7/0

APPLICATION

Comes now MERIDIAN OIL INC., by and through its attorneys, Kellahin, Kellahin & Aubrey, and applies to the New Mexico Oil Conservation Division for an order amending the Special Rules and Regulations for the Benson-Strawn Oil Pool, Eddy County, New Mexico, to provide for a change in the depth bracket allowable and gas-oil ratic limitation for the pool and in support thereof would state:

- 1. Applicant, Meridian Oil Inc., is the operator of the Benson "3" Federal #1 well located in Unit B of Section 3, T19S, R3ØE, NMPM, Eddy County, New Mexico.
- 2. The Benson "3" Federal #1 Well is located within a mile of the Benson-Strawn Oil Pool and is currently subject to the Special Rules and Regulations established by the Division on June 1, 1980 by Order R-6129-A for said pool.
- 3. The current Special Pool Rules have established a depth bracket allowable of 70 barrels as set forth in Rule 5 of the Special Rules and Regulations.

- 4. The applicant proposes that the Special Pool Rules be revised so that the top unit allowable for a standard proration unit be the state-wide depth bracket allowable of 560 barrels of oil per day and that the gas-oil ratio limitation be up to a maximum of 3,000 cubic feet of gas to one barrel of oil for the GOR limitation.
- 5. Applicant requests that the proposed Rule changes be temporary for a period of not less than 24 months in order to have time to further study the reservoir.
- 6. In accordance with the provisions of Division Order R-8054, the Applicant has notified the following:

Yates Petroleum Corporation 105 S. Fourth Street Artesia, New Mexico 88210 Attn: Mr. Randy Patterson

Texaco, Inc. P. O. Box 728 Hobbs, New Mexico 88240

Phillips Petroleum Company 4001 Penbrook Odessa, Texas 79762

Mobil Producing Texas & New Mexico Inc. Nine Greenway Plaza, Suite 2700 Houston, Texas 77046

Respectfully Submitted:

W. Thomas Kellahin

Kellahin, Kellahin & Aubrey

P. O. Box 2265

Santa Fe, New Mexico 87504