

APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL

NOTE: This form is to be filed and attachments made in accordance with the provisions of Rule 509. If discovery is claimed for more than one zone, separate forms must be filed for each.

Operator ARCO Oil and Gas Company		Address P.O. Box 1610, Midland, TX 79702	
Lease Name West Anderson Ranch State		Well No. 1	County Lea
Well Location Unit Letter: <u>E</u> ; <u>1980</u> Feet from The <u>North</u> Line and <u>660</u> Feet From the <u>West</u> Line of Section <u>9</u> , Township <u>16S</u> , Range <u>32E</u> , NMPM			
Suggested Pool Names (List in order of preference) 1. Anderson Ranch Wolfcamp, West 2. Mesa Wolfcamp 3.			
Name of Producing Formation Wolfcamp		Perforations 9956 to 9975 ft	Date of Filing Form C-104 6-15-87
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? No		If Yes, Give Date of Filing --	Date Well was Spudded 1-4-87
Date Compl. Ready to Prod. 5-29-87			
Total Depth 14,102	Plugged Back Depth 10,010	Depth Casing Shoe 7" 10995	Tubing Depth 9858
		Elevation (Gr., DF, RKB, RT, etc.) RKB 4363.3	
Oil Well Potential (Test to be taken only after all load oil has been recovered) <u>450</u> Bbls. Oil Per Day Based On <u>450</u> Bbls In <u>24</u> Hours; <u>0</u> Bbls Water Per Day Based On <u>0</u> Bbls In <u>24</u> Hours; Gas Production During Test: <u>980</u> MCF; Gas-Oil Ratio: <u>2178</u> Method Of Producing: <u>Flowing</u> Chk. Size <u>24/64</u>			

NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):

Pool Name Anderson Ranch Wolfcamp	Name of Producing Formation Wolfcamp	Top of Pay 9888'	Bottom of Pay 9965'	Currently Producing? No 0.6 MBO
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool 2951.6 ft SE**		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool 15 ft		

NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production from this pay or formation only):

Pool Name Anderson Ranch Wolfcamp	Top of Pay 9888 ft	Bottom of Pay 9965 ft	Currently Producing? No**
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool 2952 ft SE (or)** True comparable production is 8355 ft NE [see Remarks]			

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well? No	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County
--	--

Is the Subject Well Multiple Completion? No	Is Discovery Allowable Requested for other Zone(s)?	If Yes, Name all Such Formations
--	---	----------------------------------

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)

NAME	ADDRESS
Unleased Minerals - State of New Mexico	New Mexico (Commissioner of Public Lands)
	State Land Office Building
	310 Old Santa Fe Trail
	Santa Fe, New Mexico 87503

Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Division of such intent in writing within ten days after receiving a copy of this application.

Remarks: \*\* The ARCO State No. 1 drilled by Monsanto 2952 ft SE was completed 10/72 and only produced 606 Bbls of oil, the next nearest Wolfcamp production in the Anderson Ranch Wolfcamp pool is 8355 ft NE in Lot B, Sec. 10.

CERTIFICATION

I hereby certify that all rules and regulations of the New Mexico Oil Conservation Division have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown common source of oil supply has been made in said well. I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.

Richard D Campbell  
 Signature

Senior Engineer  
 Position

June 30 1987  
 Date

West Anderson Ranch State No. 1  
Well Data

Wolfcamp Porosity Interval 9956 to 9975 ft

Limestone Porosity	14.0%
Bottom Pressure DST 2/9/87	3531.4 psig at 9909 ft 2 Hour Final Closed-In

Fluid Data

Oil	41.4	API
Gas	0.7402 21.44 300	Specific Grav. Mole Weight psi Sampling Pressure

Gas Analysis Mole Percent

Nitrogen	1.403
Carbon Dioxide	1.489
Methane	75.486
Ethane	12.407
Propane	6.599
Iso-Butane	0.580
Normal Butane	1.413
Iso-Pentane	0.234
Normal Pentane	0.211
Hexanes	0.178
Total	<u>100.0</u>

Wolfcamp Pressure Data

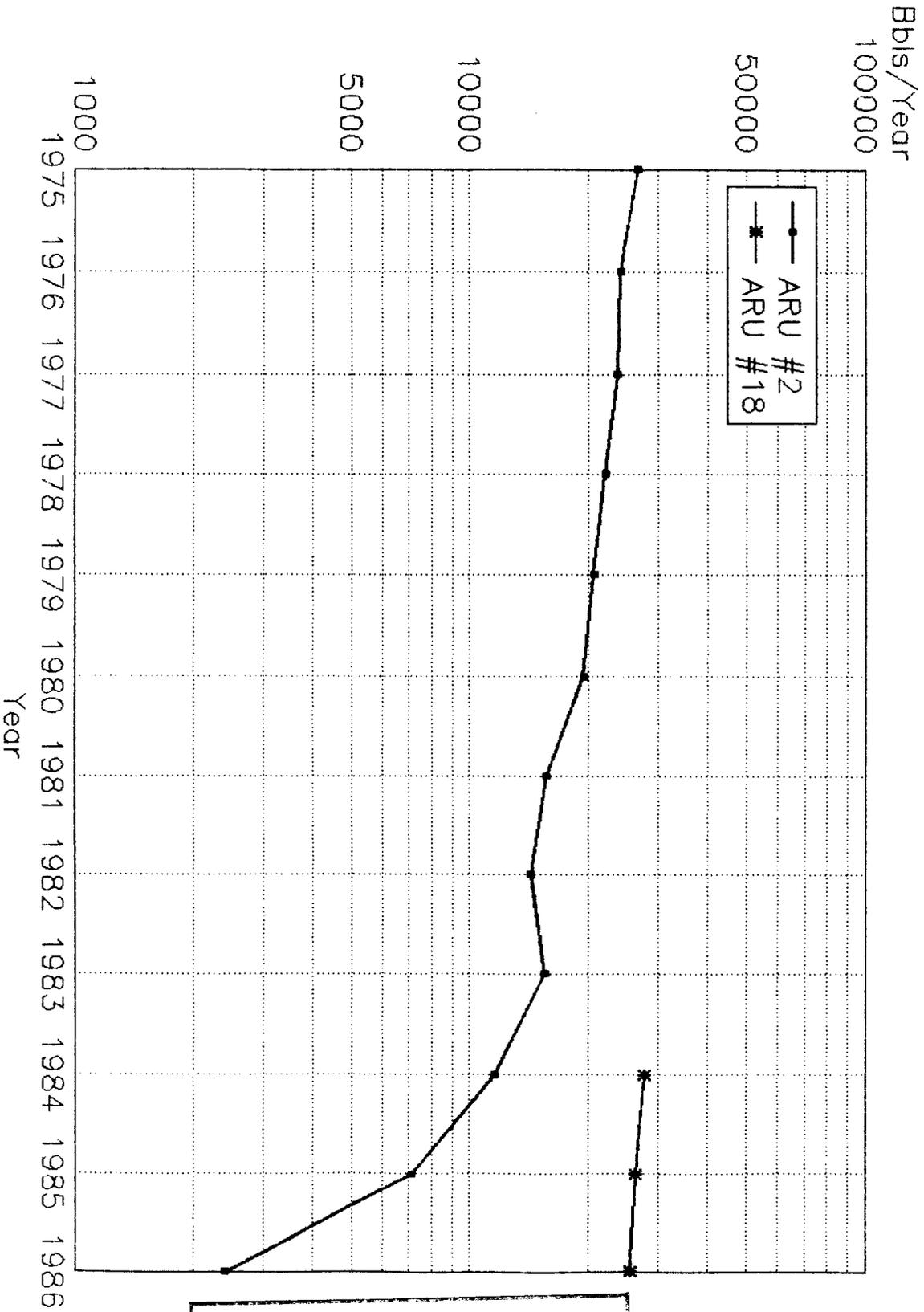
Anderson Ranch Wolfcamp Discovery Pressure Anderson Ranch Unit No. 4 DST July 1953	≈ 3950 psig
North Anderson Ranch Wolfcamp Discovery Pressure North Anderson Ranch No. 1 DST May 1960	≈ 3640 psig
Anderson Ranch Wolfcamp Pressure 1985 Anderson Ranch Unit No. 18	< 1700 psig
West Anderson Ranch Wolfcamp State No. 1 DST February 1987	≈ 3550 psig

Anderson Ranch Wolfcamp Analysis  
80 Acre Vs. 40 Acre Wells

	<u>80 Acre</u>	<u>40 Acre</u>
Number of Wells	14 Wells	11 Wells
Currently Producing Wells	6 Wells	6 Wells
Current Production	136 STB/Day	55 STB/Day
Cumulative Production 12/86	2992 MBO	660 MBO
Remaining Reserves	337 MBO	165 MBO
Estimated Total Recovery	3329 MBO	825 MBO
Recovery Per Well	237 MBO/Well	75 MBO/Well
Recovery Ratio = $\frac{80 \text{ Acre}}{40 \text{ Acre}}$		3.16

# ANDERSON RANCH WOLFCAMP

## Production Data



BEFORE EXAMINER CATANACH  
OIL CONSERVATION DIVISION  
ARCO EXHIBIT NO. 14  
CASE NO. 9163

Wolfcamp Pressure Data

Anderson Ranch Wolfcamp Discovery Pressure Anderson Ranch Unit No. 4 DST July 1953	≈ 3950 psig
North Anderson Ranch Wolfcamp Discovery Pressure North Anderson Ranch No. 1 DST May 1960	≈ 3640 psig
Anderson Ranch Wolfcamp Pressure 1985 Anderson Ranch Unit No. 18	< 1700 psig
West Anderson Ranch Wolfcamp State No. 1 DST February 1987	≈ 3550 psig

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
J. SCOTT HALL  
PETER N. IVES  
JOHN H. BEMIS  
MARTE D. LIGHTSTONE

GUADALUPE PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

June 11, 1987

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

New Mexico Commissioner of Public Lands  
State Land Office Building  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87503

Re: Oil Conservation Division Case 9163: Application of  
Arco Oil & Gas Company, a division of Atlantic  
Richfield Company, for Pool Creation, Special Pool  
Rules, and Discovery Allowable, Lea County, New Mexico.

Dear Commissioner:

This letter is to advise you that an application has been filed by Arco Oil & Gas Company in the above-referenced matter seeking the creation of the West Anderson Ranch Oil Pool to be initially comprised of the W/2 NW/4 of Section 9, Township 16 South, Range 32 East, N.M.P.M., Lea County, New Mexico, as a result of the discovery of hydrocarbons in the Wolfcamp formation in its West Anderson Ranch State No. 1 Well located 1980 feet from the North line and 660 feet from the West line of said Section 9. Arco also seeks promulgation of Special Pool Rules for this pool including provisions for 80-acre spacing or proration units and a discovery allowable for its West Anderson Ranch State No. 1 Well.

The matter is set for hearing before a Division Examiner on July 1, 1987. You are not required to attend this hearing, but as an operator in the area or owner of unleased mineral interests in the area, the Division rules require that you be given written notice of this hearing so that you may appear and present testimony if you desire. Failure to appear at that time or otherwise become a party of record in this case will preclude you from challenging this application at a later date.

Very truly yours,

*William F. Carr /as*

WILLIAM F. CARR  
ATTORNEY FOR ARCO OIL & GAS COMPANY

WFC/ab

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery.

3. Article Addressed to: **NM Commissioner of Public Lands**  
*State Land Liquid Building*  
*310 Old Santa Fe Trail*  
*Santa Fe, N.M. 87503*

4. Article Number **P 456 364 576**

Type of Service:  Registered Certified Express Mail  Insured COD

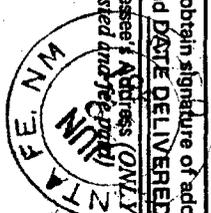
Always obtain signature of addressee or agent and **DATE DELIVERED.**

8. Addressee's Address **ONLY** requested and **DATE DELIVERED.**

5. Signature - Addressee *[Signature]*

6. Signature - Agent *[Signature]*

7. Date of Delivery



PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P 456 364 576  
 RECEIPT FOR CERTIFIED MAIL  
 NO INSURANCE COVERAGE PROVIDED - NOT FOR INTERNATIONAL MAIL

Sent to	
N.M. Commissioner of Public Lands	
Street and No. 310 Old Santa Fe Trail	
P.O., State and ZIP Code Santa Fe, N.M. 87503	
Postage	\$ .22
Certified Fee	.75
Special Delivery Fee	
Restricted Delivery Fee	
Formal Receipt Showing to whom and Date Delivered	.70
Return Receipt for Postmaster	
Date and Address of Delivery	
TOTAL Postage and Fees	\$ 1.67
Postmark or Date	6/11/87

7-767-0-1-005-1-1-86

APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL

NOTE: This form is to be filed and attachments made in accordance with the provisions of Rule 509. If discovery is claimed for more than one zone, separate forms must be filed for each.

Operator ARCO Oil and Gas Company		Address P.O. Box 1610, Midland, TX 79702	
Lease Name West Anderson Ranch State		Well No. 1	County Lea
Well Location Unit Letter <u>E</u> ; <u>1980</u> Feet from The <u>North</u> Line and <u>660</u> Feet From the <u>West</u> Line of Section <u>9</u> , Township <u>16S</u> , Range <u>32E</u> , NMPM			
Suggested Pool Names (List in order of preference) 1. Anderson Ranch Wolfcamp, West 2. Mesa Wolfcamp 3.			
Name of Producing Formation Wolfcamp		Perforations 9956 to 9975 ft	Date of Filing Form C-104 6-15-87
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? No	If Yes, Give Date of Filing --	Date Well was Spudded 1-4-87	Date Compl. Ready to Prod. 5-29-87
Total Depth 14,102	Plugged Back Depth 10,010	Depth Casing Shoe 7" 10995	Tubing Depth 9858
Elevation (Gr., DF, RKB, RT, etc.) RKB 4363.3			
Oil Well Potential (Test to be taken only after all load oil has been recovered) <u>450</u> Bbls. Oil Per Day Based On <u>450</u> Bbls In <u>24</u> Hours; <u>0</u> Bbls Water Per Day Based On <u>0</u> Bbls In <u>24</u> Hours; Gas Production During Test: <u>980</u> MCF; Gas-Oil Ratio: <u>2178</u> Method Of Producing: <u>Flowing</u> Chk. Size <u>24/64</u>			

NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):

Pool Name Anderson Ranch Wolfcamp	Name of Producing Formation Wolfcamp	Top of Pay 9888'	Bottom of Pay 9965'	Currently Producing? No 0.6 MBO
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool 2951.6 ft SE**		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool 15 ft		

NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production from this pay or formation only):

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Is "County Deep" Discovery Allowable Requested for Subject Discovery Well? No	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County
--	--

Is the Subject Well Multiple Completion? No	Is Discovery Allowable Requested for other Zone(s)?	If Yes, Name all Such Formations
--	---	----------------------------------

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)

NAME	ADDRESS
Unleased Minerals - State of New Mexico	New Mexico (Commissioner of Public Lands)
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Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Division of such intent in writing within ten days after receiving a copy of this application.

Remarks: \*\* The ARCO State No. 1 drilled by Monsanto 2952 ft SE was completed 10/72 and only produced 606 Bbls of oil, the next nearest Wolfcamp production in the Anderson Ranch Wolfcamp pool is 8355 ft NE in Lot B, Sec. 10.

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I hereby certify that all rules and regulations of the New Mexico Oil Conservation Divisions have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown common source of oil supply has been made in said well. I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.

  
 Signature

Senior Engineer  
 Position

June 30 1987  
 Date

West Anderson Ranch State No. 1  
Well Data

Wolfcamp Porosity Interval 9956 to 9975 ft

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BEFORE EXAMINER CANTANACHI  
OIL CONSERVATION DIVISION  
ARCO EXHIBIT NO. 13  
CASE NO. 9163

(Continue on reverse side)

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)

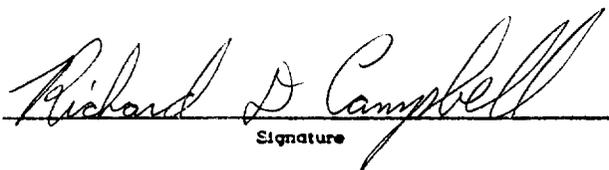
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Senior Engineer  
 Position

June 30 1987  
 Date

West Anderson Ranch State No. 1  
Well Data

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Bottom Pressure 3531.4 psig at 9909 ft  
DST 2/9/87 2 Hour Final Closed-In

Fluid Data

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Gas Analysis Mole Percent

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Normal Butane	1.413
Iso-Pentane	0.234
Normal Pentane	0.211
Hexanes	0.178
Total	<u>100.0</u>

BEFORE DRIVING TO THE WELL  
OR TO THE FIELD OFFICE  
ARCO 13  
CASE NO. 9163

## Wolfcamp Pressure Data

Anderson Ranch Wolfcamp Discovery Pressure Anderson Ranch Unit No. 4 DST July 1953	≈ 3950 psig
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Anderson Ranch Wolfcamp Analysis  
80 Acre Vs. 40 Acre Wells

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STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

January 5, 1989

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

ARCO Oil and Gas Company  
P. O. Box 1610  
Midland, Texas 79702

Gentlemen:

In accordance with the provisions of Division Order No. R-8470 entered on July 13, 1987, the Oil Conservation Division is reopening Case No. 9163 in order to give all operators in the West Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, the opportunity to appear and show cause why the temporary rules promulgated for said pool should not be rescinded.

This case will be heard before an examiner on January 18, 1989, in the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe, New Mexico, at 8:15 a.m. A copy of the advertisement for this hearing is enclosed.

Sincerely,

*Florene Davidson*

Florene Davidson  
OC Staff Specialist

enc.



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

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

REOPENED  
CASE NO. 9163  
Order No. R-8470-A

IN THE MATTER OF CASE NO. 9163  
BEING REOPENED PURSUANT TO THE  
PROVISIONS OF DIVISION ORDER  
NO. R-8470.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 18, 1989, at Santa Fe, New Mexico, before Examiner Victor T. Lyon.

NOW, on this 3rd day of February, 1989, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) At the time of the hearing, the attorney for ARCO Oil and Gas Company stated that there was no further need for the special pool rules promulgated by Order No. R-8470 and said rules should be rescinded.

IT IS THEREFORE ORDERED THAT:

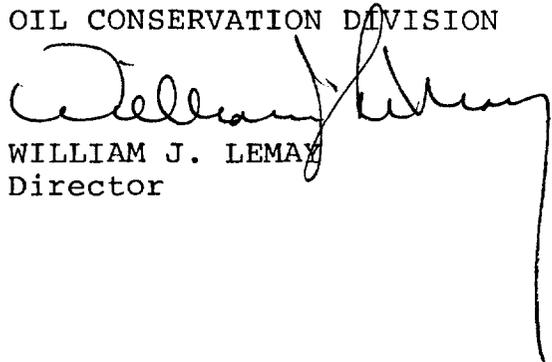
(1) The special pool rules promulgated by Order No. R-8470 for the West Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, are hereby rescinded.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-2-  
Case No. 9163  
Order No. R-8470-A

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L



BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

EXHIBIT NO. 3

CASE NO. \_\_\_\_\_

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
J. SCOTT HALL  
PETER N. IVES  
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MARTE D. LIGHTSTONE

GUADALUPE PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

June 11, 1987

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

New Mexico Commissioner of Public Lands  
State Land Office Building  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87503

Re: Oil Conservation Division Case 9163: Application of  
Arco Oil & Gas Company, a division of Atlantic  
Richfield Company, for Pool Creation, Special Pool  
Rules, and Discovery Allowable, Lea County, New Mexico.

Dear Commissioner:

This letter is to advise you that an application has been filed by Arco Oil & Gas Company in the above-referenced matter seeking the creation of the West Anderson Ranch Oil Pool to be initially comprised of the W/2 NW/4 of Section 9, Township 16 South, Range 32 East, N.M.P.M., Lea County, New Mexico, as a result of the discovery of hydrocarbons in the Wolfcamp formation in its West Anderson Ranch State No. 1 Well located 1980 feet from the North line and 660 feet from the West line of said Section 9. Arco also seeks promulgation of Special Pool Rules for this pool including provisions for 80-acre spacing or proration units and a discovery allowable for its West Anderson Ranch State No. 1 Well.

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Very truly yours,

*William F. Carr*  
WILLIAM F. CARR  
ATTORNEY FOR ARCO OIL & GAS COMPANY

WFC/ab

BEFORE EXAMINER CATAHACH OIL CONSERVATION DIVISION ARCO EXHIBIT NO. <u>2</u> CASE NO. <u>9163</u>
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BEFORE EXAMINER CATANACH  
 OIL CONSERVATION DIVISION  
 ARCO EXHIBIT NO. 2  
 CASE NO. 9163

P 456 364 576

NM Commissioner of Public Lands  
 310 Old Santa Fe Trail  
 Santa Fe, N.M. 87503

.22

.75

.70

1.67

6/11/87

Form 3871, Feb. 1986

DOMESTIC RETURN

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent title card from being returned to you. The return receipt fee will provide you the name of the person who delivered the article to you. An additional fee will provide you the name of the person who delivered the article to you. An additional fee will provide you the name of the person who delivered the article to you. An additional fee will provide you the name of the person who delivered the article to you.

1.  Show to whom delivered, date, and addressee's address.

2.  Restricted Delivery.

3. Article Addressed to:  
 NM Commissioner of Public Lands  
 310 Old Santa Fe Trail  
 Santa Fe, N.M. 87503

4. Article Number: P 456 364 576

Type of Service:  
 Registered  
 Certified  
 Insured  
 Other

charge for risk involved in drilling said well. Said area is approximately 1 3/4 miles east of the community of Nadine, New Mexico.

CASE 9107: (Continued from June 3, 1987, Examiner Hearing) THIS CASE WILL BE DISMISSED.

Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos and Undesignated Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the E/2 of Section 5, Township 25 North, Range 2 West, forming a standard 320-acre oil spacing and proration unit in both pools to be dedicated to a well to be drilled at a standard location thereon. 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 operator of the well and a charge for risk involved in drilling said well.

CASE 8963: (Continued from June 3, 1987, Examiner Hearing) (Reopened) THIS CASE WILL BE DISMISSED.

Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the W/2 of Section 16, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at a standard location thereon. 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 operator of the well and a charge for risk involved in drilling said well.

CASE 9151: (Continued from June 17, 1987, Examiner Hearing)

Application of Bettis, Boyle & Stovall for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for a well to be drilled 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 9, Township 25 South, Range 29 East, to test the Wolfcamp, Strawn, Atoka, and Morrow formations, the W/2 of said Section 9 to be dedicated to the well.

CASE 9162: Application of Amerind Oil Company for compulsory pooling and a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn or Atoka formation underlying the SW/4 SE/4 and SE/4 SW/4 of Section 28, Township 16 South, Range 37 East, forming a non-standard 80-acre oil spacing and proration unit for either the West Casey-Strawn, Casey-Strawn, or Northeast Lovington-Pennsylvanian Oil Pools. 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 operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 6.5 miles east-southeast of Lovington, New Mexico.

CASE 9163: Application of ARCO Oil and Gas Company for pool creation, special pool rules, and discovery allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Wolfcamp production comprising the W/2 NW/4 of Section 9, Township 16 South, Range 32 East, and the promulgation of special rules therefor including a provision for 80-acre spacing and designated well locations. Applicant further seeks the assignment of an oil discovery allowable, as provided by Rule 509 of the Division's General Rules, to the discovery well for said pool being its West Anderson Ranch State Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 9 (approximately 6 miles north of Maljamar, New Mexico).

CASE 9164: Application of Phillips Petroleum Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Eumont-Queen gas production and Eunice Monument-Grayburg-San Andres oil production in the wellbore of its New Well No. 2 located 1980 feet from the North line and 330 feet from the East line (Unit H) of Section 26, Township 20 South, Range 36 East, being approximately 4 1/2 miles northwest of Oil Center, New Mexico.

CASE 9165: Application of Terra Resources, Inc. for a non-standard gas proration unit and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas spacing and proration unit comprising the SW/4 of Section 1, Township 22 South, Range 27 East, Undesignated East Carlsbad-Wolfcamp Gas Pool, to be dedicated to a well to be drilled at an unorthodox gas well location 1330 feet from the South line and 660 feet from the West line (Unit L) of said Section 1, said well being approximately 5 miles east of Carlsbad, New Mexico.

CASE 9154: (Continued and Readvertised)

Application of Tenneco Oil Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location to be drilled 595 feet from the North line and 335 feet from the East line (Unit A) of Section 1, Township 31 North, Range 11 West, Blanco-Pictured Cliffs Pool, the NE/4 of said Section 1 to be dedicated to the well.

Dockets Nos. 22-87 and 23-87 are tentatively set for July 15 and 29, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 1, 1987

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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

CASE 9159: Application of Yates Petroleum Corporation for approval of a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Desert Rose State and Federal Unit comprising 2560.52 acres, more or less, of State and Federal lands in Townships 8 and 9 South, Range 26 East (19 miles northeast of Roswell, New Mexico).

CASE 8863: (Continued from June 3, 1987, Examiner Hearing) (Reopened)

In the matter of Case 8863 being reopened upon application of Alana Oil and Gas Corporation to vacate or modify Division Order No. R-8210 entered in said Case 8863, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells which were ordered plugged pursuant to the provisions of said Order No. R-8210:

Samantha Well No. 1 located 1580' FSL - 1202' FWL (Unit L),  
Samantha Well No. 2 located 1985' FSL - 2290' FWL (Unit K),  
Samantha Well No. 3 located 1105' FSL - 2490' FWL (Unit N),  
all in Section 26, Township 28 North, Range 1 East; and  
Alana Well No. 1 located 511' FSL - 2144' FWL (Unit N) of  
Section 11, Township 27 North, Range 1 West.

CASE 8864: (Continued from June 3, 1987, Examiner Hearing) (Reopened)

In the matter of Case 8864 being reopened upon the application of Suntex Energy Corporation to vacate or modify Division Order No. R-8223 entered in said Case 8864, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells which were ordered plugged pursuant to the provisions of said Order No. R-8223:

Suntex Well No. 1 located 1824' FNL - 570' FWL (Unit E) of Section 26,  
Suntex Well No. 2 located 660' FSL - 365' FEL (Unit P) of Section 22,  
Suntex Well No. 3 located 1858' FNL - 1800' FWL (Unit F) of Section 14,  
Suntex Well No. 4 located 935' FNL - 1650' FWL (Unit C) of Section 23,  
Suntex Well No. 5 located 2004' FSL - 2310' FWL (Unit K) of Section 11, and  
Suntex Well No. 6 located 1980' FSL - 660' FWL (Unit L) of Section 23,  
all in Township 28 North, Range 1 East.

CASE 9074: (Continued from June 3, 1987, Examiner Hearing) (Reopened)

In the matter of Case 9074 being reopened upon application of Suntex Energy Corporation to vacate or modify Division Order No. R-8404 entered in said Case 9074, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells formerly operated by Texas Rose Petroleum, Inc. which were ordered plugged pursuant to the provisions of said Order No. R-8404:

Well No. 1 located 1824' FSL - 1778' FEL (Unit J) of Section 14,  
Well No. 2 located 618' FSL - 2418' FWL (Unit N) of Section 14,  
Well No. 3 located 967' FSL - 2148' FWL (Unit N) of Section 11,  
Well No. 7 located 990' FSL - 2310' FEL (Unit O) of Section 14, and  
Well No. 8 located 2310' FS and WL (Unit K) of Section 14,  
all on the El Poso Ranch Lease in Township 28 North, Range 1 East, as  
projected into the unurveyed Tierra Amarilla Land Grant.

CASE 9160: Application of Santa Fe Energy Operating Partners, L.P. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W/2 of Section 34, Township 23 South, Range 31 East (which is approximately 19½ miles east of Loving, New Mexico), forming a standard 320-acre gas proration unit to be dedicated to a well to be drilled at a standard gas well location thereon. 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 operator of the well and a charge for risk involved in drilling said well.

CASE 9161: Application of Crown Central Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation, underlying either the SE/4 SE/4 (Unit P) of Section 25, Township 19 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit within said vertical limits or the SE/4 of said Section 25 to form a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing, both aforementioned units to be dedicated to a well to be drilled at a standard location thereon. 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 operator of the well and a

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
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SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

June 11, 1987

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

New Mexico Commissioner of Public Lands  
State Land Office Building  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87503

Re: Oil Conservation Division Case 9163: Application of  
Arco Oil & Gas Company, a division of Atlantic  
Richfield Company, for Pool Creation, Special Pool  
Rules, and Discovery Allowable, Lea County, New Mexico.

Dear Commissioner:

This letter is to advise you that an application has been filed by Arco Oil & Gas Company in the above-referenced matter seeking the creation of the West Anderson Ranch Oil Pool to be initially comprised of the W/2 NW/4 of Section 9, Township 16 South, Range 32 East, N.M.P.M., Lea County, New Mexico, as a result of the discovery of hydrocarbons in the Wolfcamp formation in its West Anderson Ranch State No. 1 Well located 1980 feet from the North line and 660 feet from the West line of said Section 9. Arco also seeks promulgation of Special Pool Rules for this pool including provisions for 80-acre spacing or proration units and a discovery allowable for its West Anderson Ranch State No. 1 Well.

The matter is set for hearing before a Division Examiner on July 1, 1987. You are not required to attend this hearing, but as an operator in the area or owner of unleased mineral interests in the area, the Division rules require that you be given written notice of this hearing so that you may appear and present testimony if you desire. Failure to appear at that time or otherwise become a party of record in this case will preclude you from challenging this application at a later date.

Very truly yours,

*William F. Carr*  
/ab

WILLIAM F. CARR  
ATTORNEY FOR ARCO OIL & GAS COMPANY

WFC/ab

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery.

3. Article Addressed to: *NM Commissioner of Public Lands*

*State Land Hybrid Building  
310 Old Santa Fe Trail  
Santa Fe, N.M. 87503*

4. Article Number *P 456 364 576*

Type of Service:  
 Registered Certified Express Mail  
 Insured COD

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signatory - Addressee  *[Signature]*

6. Signatory - Agent  *[Signature]*

7. Date of Delivery

8. Addressee's Address (ONLY if requested and telephoned)  


PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P 456 364 576  
 RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED - NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

Sent to <i>N.M. Commissioner of Public Lands</i>	
Street and No. <i>310 Old Santa Fe Trail</i>	
P.O. State and ZIP Code <i>Santa Fe, N.M. 87503</i>	
Postage	<i>.22</i>
Certified Fee	<i>.75</i>
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt (including to whom and Date Delivered)	<i>.70</i>
Return Receipt (including to whom, Date, and Address of Delivery)	
TOTAL Postage and Fees	<i>\$ 1.67</i>
Postmark or Date	<i>6/11/87</i>

75257 USE ZIP CODE