

W. Thomas Kellahin
Karen Aubrey

Jason Kellahin
Of Counsel

KELLAHIN, KELLAHIN AND AUBREY
Attorneys at Law
El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

DEC 6-29-87
Telephone 982-4285
Area Code 505

June 26, 1987

RECEIVED

JUN 29 1987

Mr. David R. Catanach
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

OIL CONSERVATION DIVISION

"Hand Delivered"

Re: Terra Resources, Inc.
NMOCD Case 9165

Dear Mr. Catanach:

On behalf of Terra Resources, Inc., we have filed the referenced case seeking a non-standard spacing and proration unit and unorthodox gas well location in the East Carlsbad Wolfcamp Gas Pool.

At the request of my client, we would like this case continued from the July 1, 1987 Examiner's docket to the July 15, 1987 docket in order to accomodate a vacation schedule of certain of our experts.

By copy of this letter we are notifying all interested parties listed in the application that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross examine the witnesses either in support of or in opposition to the application.

Very truly yours,


W. Thomas Kellahin

WTK:ca
Enc.

cc: Mr. John Lodge
Terra Resources
10 Desta Drive, Suite 500 W
Midland, Texas 79705

All parties listed application

RECEIVED

JUN 29 1987

OIL CONSERVATION DIVISION

KELLAHIN, KELLAHIN & AUBREY

Mr. David R. Catanach
June 25, 1987
Page 2

cc: W. Perry Pearce, Esq.
Montgomery & Andrews
P. O. Box 2307
Santa Fe, New Mexico 87504

James G. Bruce, Esq.
Hinkle Law Firm
P. O. Box 2068
Santa Fe, New Mexico 87504

Amerada Hess Corporation
P. O. Box 2040
Tulsa, Oklahoma 74102

Mr. Hugh Ingram
Conoco Inc.
P. O. Box 460
Hobbs, New Mexico 88240

RECEIVED

JUN 29 1987

CONSERVATION DIVISION

EAST CARLSBAD-WOLFCAMP GAS POOL
Eddy County, New Mexico

Order No. R-5144, Adopting Operating Rules for the East Carlsbad-Wolfcamp Gas Pool, Eddy County, New Mexico, February 1, 1976.

Application of Champlin Petroleum Company for the Adoption of Pool Rules, Eddy County, New Mexico.

CASE NO. 5600
Order No. R-5144

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on January 7, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of January, 1976, 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 the applicant, Champlin Petroleum Company, is an owner and operator in the East Carlsbad-Wolfcamp Gas Pool, Eddy County, New Mexico.

(3) That said East Carlsbad-Wolfcamp Gas Pool was created and designated by the Commission by Order No. R-5015 effective June 1, 1975.

(4) That by Commission Order No. R-5113, dated October 28, 1975, Rule 104 of the Commission Rules and Regulations was amended to provide that all gas pools for Wolfcamp gas production in Southeast New Mexico which were created and defined November 1, 1975, or later shall have 320-acre spacing and proration units, inasmuch as it was found that in Southeast New Mexico, "a gas well completed in the Wolfcamp or deeper formations will efficiently and economically drain and develop a 320-acre tract."

(5) That the applicant in the instant case seeks the promulgation of rules including a provision for 320-acre spacing for the East Carlsbad-Wolfcamp Gas Pool, in Eddy County, New Mexico, inasmuch as that pool was excluded from the provisions of Order No. R-5113, because it was created and defined prior to the cut-off date of November 1, 1975.

(6) That no appearances were made in opposition to the application at the hearing of the instant case and no objection was received to the inclusion of the East Carlsbad-Wolfcamp Gas Pool under the provisions of Rule 104 of the Commission Rules and Regulations for gas pools of the Wolfcamp or older formations.

(7) That one well in the East Carlsbad-Wolfcamp Gas Pool in Eddy County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Wolfcamp or older formations will not cause waste nor violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That effective February 1, 1976, each well completed or recompleted in the East Carlsbad-Wolfcamp Gas Pool or in the Wolfcamp formation within one mile thereof shall be subject

to the provisions of Rule 104 of the Commission Rules and Regulations notwithstanding the fact said pool was created and defined prior to November 1, 1975.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the East Carlsbad-Wolfcamp Gas Pool or in the Wolfcamp formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia District Office of the Commission in writing of the name and location of the well by February 15, 1976.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, all existing wells in the East Carlsbad-Wolfcamp Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Commission Rules and Regulations; or pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard units dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

(3) 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.

TWIN LAKES-DEVONIAN POOL
Chaves County, New Mexico

Order No. R-5142, Adopting Temporary Operating Rules for the Twin Lakes-Devonian Pool, Chaves County, New Mexico, January 6, 1976, as Amended by Order No. R-5142-A, February 15, 1977.

Order No. R-5142-A, February 15, 1977, makes permanent the temporary rules adopted in Order No. R-5142.

Application of Stevens Oil Company for Special Pool Rules, Chaves County, New Mexico.

CASE NO. 5599
Order No. R-5142

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on December 17, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of January, 1976, 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 the applicant, Stevens Oil Company, seeks the promulgation of special rules and regulations for the Twin Lakes-Devonian Pool, Chaves County, New Mexico, including provisions for 80-acre oil proration units and exemption of said pool from any gas-oil ratio limitation.

(3) That producing the subject pool without any gas-oil ratio limitation may result in the waste of reservoir energy and a violation of correlative rights.

(4) That the establishment of a special gas-oil ratio limitation of 4000 cubic feet of gas for each barrel of oil will afford to the owner of each property in the subject pool the opportunity to produce his just and equitable share of the oil and gas and will not cause waste nor violate correlative rights, provided the flaring or venting of gas in the pool is prohibited.

Case No. 9165