

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

IN THE MATTER OF:

NO. 10950

The Application of Samedan Oil Corporation for Redesignation of the Cline-Tubb Pool as the Cline-Tubb Associated Pool, Expansion of Pool Boundaries, for Special Pool Rules and Regulations, for Approval of Two Non-Standard Gas Proration Units, and Approval of Two Unorthodox Gas Well Locations, Lea County, New Mexico.

MAR 8 1994

APPLICATION

Comes now Samedan Oil Corporation, by its attorney, Karen Aubrey, and applies to the Oil Conservation Division of the Energy, Minerals and Natural Resources Department of the State of New Mexico for an Order redesignating the Cline-Tubb Pool as the Cline-Tubb Associated Pool, for the expansion of the pool boundaries, for the establishment of Special Pool Rules and Regulations for the Cline-Tubb Associated Pool, for approval of two Non-Standard Gas Proration Units, and approval of two unorthodox locations, and in support of its application states:

1. Applicant is the operator of the Sarah B #2 Well, located at a standard oil well location, but an unorthodox gas well location, 2310 feet FSL and 1653 feet FWL, (NE/4SW/4) Section 12, T23S R37E, Lea County, New Mexico N.M.P.M.

2. The Sarah B #2 well is currently producing from a perforated interval from 6130 feet to 6190 feet. Based upon its present producing characteristics, the Sarah B-#2 well is a gas well with a current gas-oil ratio of approximately 70,000:1.

3. Applicant is the operator of the Sharp No. 1 well located at a standard gas well location 1980 feet FNL, and 1980 feet FWL, (SE/4NW/4), Section 12 T23S R37E, Lea County, New Mexico N.M.P.M.

4. The Sharp No. 1 well is classified as an oil well, is awaiting pipeline connection, and is capable of producing from a perforated interval from 6140 to 6194 feet. When completed the well potentialized at 20 bbl/oil and 399 mcf/gas per day. It is anticipated that the gas-oil ratio will increase as production occurs..

5. Applicant is the operator of the Sarah B No. 1 well located at a standard oil well location 990 feet FSL and 710 feet FEL, (SE/4SE/4) Section 11, T23S, R37E, Lea County, New Mexico N.M.P.M.

6. The Sarah B No. 1 well is perforated in the interval 6082 feet to 6175 feet, but is not presently producing, pending approval of downhole commingling. The Sarah B No. 1 well tested as an oil well, producing 14 bbl/oil, 10 bbl/water, and 15 mcf/gas per day.

7. Applicant is the operator of the Sarah B No. 3 well located at a standard oil well location 330 feet FWL and 330 feet FSL (SW/4SW/4), Section 1, T23S, R37E, Lea County, New Mexico N.M.P.M.

8. The Sarah B No. 3 well is perforated in the interval 6092 feet to 6190 feet, but is not presently producing, pending approval of downhole commingling. The Sarah

B No. 3 tested as an oil well, producing 7 bbl/oil and 80 mcf/gas per day.

9. The Kelton Operating Lineberry No. 2 well, located 1980 feet FEL, and 1980 feet FSL (NW/SE) Section 11, T23S, R37E, Lea County New Mexico N.M.P.M. is a shut-in oil well formerly producing from a perforated interval from 6146 feet to 6587 feet. The Kelton Operating Lineberry No. 2 well has produced at a gas-oil ratio of 6,000:1 to 7,000:1 throughout its producing life, with a cumulative production total of 9940 bbl/oil and 51.190 mmcf/g.

10. Applicant has obtained a permit to drill the Branex Federal No. 1 well at a standard oil well location, but an unorthodox gas well location, 2310 FSL and 660 FWL, (NW/4SW/4), Section 12, T23S, R37E, Lea County, New Mexico N.M.P.M. It is expected that the Branex Federal No. 1 well will be completed in a producing interval which correlates to the producing interval in the Sarah B 1, 2 and 3 wells, the Sharp No. 1 well and the Kelton Operating Lineberry No. 2 well.

11. The Branex Federal No. 1 well should be completed as an oil well, but if it is a gas well, applicant seeks approval of the above referenced well location.

12. The producing intervals of the Sarah B No. 1, 2, 3, the Sharp No. 1 and the Kelton Operating Lineberry No. 2 wells all correlate as producing or having produced from the Cline-Tubb Associated Pool.

13. The present horizontal limit of the Cline-Tubb Pool is the SE/4 of Section 11, Township 23S, Range 37E, Lea County, New Mexico, N.M.P.M.

14. The Cline-Tubb Pool is an oil pool, and is presently governed by statewide rules.

15. Applicant asks that the Cline-Tubb Pool be redesignated as an Associated oil and gas pool and renamed the Cline-Tubb Associated Pool, and that the horizontal limits of the pool be expanded to include the W/2 Section 12, T23 S, R37E, Lea County, and the SW/4 Section 1, T23S, R37E, Lea County, New Mexico.

16. Applicant has the right to drill and develop the E/2SW/4 of Section 12, T23S, R37E, Lea County, New Mexico.

17. The Sarah B No. 2 well can effectively and efficiently drain the hydrocarbons underlying the E/2 SW/4 of Section 12. Applicant seeks approval of an 80 acre non-standard gas proration unit consisting of the E/2SW/4, Section 12, T23S, R37E, Lea County, New Mexico.

18. Applicant has the right to drill and develop the E/2NW/4 of Section 12, T23S R37E, Lea County New Mexico.

19. The Sharp No. 1 Well can effectively and efficiently drain the hydrocarbons underlying the E/2NW/4 of Section 12. Applicant seeks approval of an 80 acre non-standard gas proration unit consisting of the E/2NW/4 of Section 12, T23S R37E, Lea County New Mexico.

20. Applicant proposes that the Rules for Associated Pools, NMOCD Order R-5353 apply to the Cline-Tubb Associated Pool, with the following addition:

Rule One: A well drilled at a standard oil well location which produces

at a gas-oil ratio of more than 30,000:1 shall be deemed to be drilled at a standard location.

Rule Two: A standard Gas Proration Unit shall consist of 160 acres.

Rule Three: A standard Oil Proration Unit shall consist of 40 acres.

21. Applicant requests that the Special Pool Rules and Regulations set forth above should be applied retroactively to the date of first production from the Sarah B No. 2.

22. In accordance with NMOCD Rule 1207 A. (7), Applicant states that:

A. The operators of wells within the proposed boundaries of the Cline-Tubb Associated Pool, together with their addresses, are:

1. Samedan Oil Corporation (Applicant)
2. Kelton Operating Corporation
P.O. Box 276
Andrews, TX 79714

B. The unleased mineral owners within the proposed boundaries of the Cline-Tubb Associated Pool are:

none

C. The operators of wells within one mile of the proposed boundaries of the Cline-Tubb Associated Pool, together with their addresses are:

1. Samedan Oil Corporation (Applicant)
2. Kelton Operating Corporation
P.O. Box 276
Andrews, TX 79714

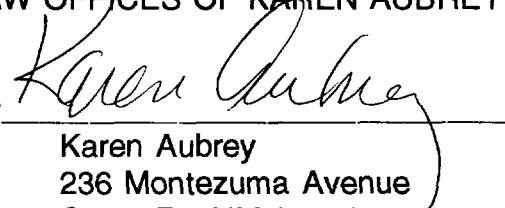
3. Chuza Operating
P.O. Box 51010
Midland, Texas 79710-1010
4. Texaco U.S.A.
P.O. Box 3109
Midland, Texas 79702
5. Seely Oil Co.
815 W. 10th St.
Ft. Worth, TX 76102-3528
6. Meridian Oil Inc. (Southland Royalty)
P.O. Box 51810
Midland, TX 70710
7. Chevron USA, Inc.
P.O. Box 1150
Midland, TX 70702
8. Highland Production Company
810 N. Dixie - Suite 202
Odessa, TX 79767

23. Notification of this application and request for hearing on March 31, 1994 will be sent by certified mail to those parties listed in Paragraph 22 above.

Wherefore, Applicant requests that this matter be set for hearing on March 31, 1994 and that after notice and hearing, the relief requested in the Application be granted.

LAW OFFICES OF KAREN AUBREY

By



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