



INTERNATIONAL MINERALS & CHEMICAL CORPORATION

January 5, 1984

Reference: The application of Belco Development Corporation for approval of an application to drill in the R-111-A area including an unorthodox well location and/or directional drilling, Eddy County, New Mexico.

Mr. W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87501

Case 8046

Dear Mr. Kellahin:

We have been sent a copy of an unregistered letter from W. Thomas Kellahin to Mr. Joe D. Ramey, Oil Conservation Division, requesting that an attached, undated application for approval for Belco Development Corporation to drill in the R-111-A area be set for the Examiner Docket now scheduled for January 18, 1984, at Santa Fe, New Mexico. The Belco Development Corporation applies to the New Mexico Oil Conservation Division for approval of drilling in the location set out below:

- (a) an Unorthodox well location in the Wolfcamp and Pennsylvanian formation at a location 660 feet from the South and East lines of Section 7, T23S, R31E, NMPM, for a proration and spacing unit consisting of the S/2 of said Section; and in the alternative
- (b) the directional drilling of a well at an unorthodox surface location 1660 feet from the South line and 100 feet from the West line of Section 8, T23S, R31E, with deviation commencing at approximately 12,000 feet to a bottomhole location in the Pennsylvanian formation within 100 foot radius of a point 660 from the South and East lines of Section 7, T23S, R31E, NMPM, Eddy County, New Mexico.

IMC has not received, by registered mail, a copy of the Notice of Intention to Drill with map or plat showing the location of the proposed well. This objection is to assure timely compliance with the requirement that the operator object within ten days after receipt.

While the Belco letter and application do not conform to the notice requirements of Paragraph VII, Order No. R-111-A, the locations of the proposed drilling will pass through valuable mineralized ore horizons or are in or adjacent to proposed mining areas. Since these locations would constitute an extreme hazard to mine personnel, and the loss of a valuable material mineral reserve, IMC will vigorously oppose any drilling in this general area.

Sincerely,



C. H. McNaughton
Manager Mining Operations

CHM:gj

cc: Belco Development Corporation
411 Petroleum Building
204 W. Texas
Midland, Texas 79701

Charles Dohlen, Area Manager, BLM
Earl Cunningham, District Manager, BLM
James Gillhan, Fluid Minerals, BLM
Joe Ramey, Oil Conservation Division