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June 2, 1998

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Application of Wilson & Barr Oil and Gas Exploration for an Unorthodox Well Location, Eddy County, New Mexico

Dear Ms. Wrotenbery:

On behalf of Wilson & Barr Oil and Gas Exploration., please find enclosed our application for an unorthodox gas well location which we request be set for hearing on the next available Examiner docket now scheduled for June 25, 1998. Also enclosed is our proposed legal advertisement.

Very truly yours,

WILLIAM F. CARR

WFC:mlh Enclosure

cc: Mr. Scott Wilson (w/enclosures)

CASE	//995 Application of Wilson & Barr Oil and Gas Exploration, for an
_	unorthodox well location, Eddy County, New Mexico. Applicant in the
	above-styled cause seeks authorization to drill a well to the Morrow
	formation, Undesignated Little Box Canyon-Morrow Gas Pool, at an
	unorthodox well location 660 feet from the North line and 330 feet
	from the West line of Section 31, Township 20 ½ South, Range 22
	East, NMPM, Eddy County, New Mexico. All of irregular Section 31
	is to be dedicated to said well. Said unit is located approximately
	miles of New Mexico.

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

IN THE MATTER OF THE APPLICATION OF WILSON & BARR OIL AND GAS EXPLORATION FOR AN UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO.

APPLICATION

WILSON & BARR OIL AND GAS EXPLORATION ("Wilson & Barr"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order approving an unorthodox well location, and in support of this application states:

- 1. Applicant is a working interest owner in the Section 31, Township 20 ½ South, Range 22 East, NMPM, Eddy County, New Mexico, and proposes to drill a well to the Morrow formation, Undesignated Little Box Canyon-Morrow Gas Pool, at an unorthodox gas well location 660 feet from the North line and 330 feet from the West line of said Section 31.
- 2. Applicant seeks an exception to Rule 104 C(2)(b) of the General Rules and Regulations of the Oil Conservation Division to permit the drilling of this well at this unorthodox gas well location.
 - 3. All of irregular Section 31 should be dedicated to the well.
- 4. Approval of this application will afford the interest owners in this irregular Section the opportunity to produce their just and equitable share of the reserves under the

subject spacing and proration unit and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Wilson & Barr Oil and Gas Exploration requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 25, 1998, that notice be given as required by law and the rules of the Division, and that the Division enter its Order granting this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

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ATTORNEYS FOR WILSON & BARR OIL AND GAS EXPLORATION