

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

**IN THE MATTER OF THE APPLICATION OF
DISCOVERY EXPLORATION FOR
AN UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.**

CASE NO. 12765

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APPLICATION

DISCOVERY EXPLORATION ("Discovery"), through its undersigned attorneys, hereby makes application for an order approving an unorthodox gas well location in the Devonian formation for its Lowe Well No. 1 to be located in Unit I of Section 29, Township 12 South, Range 38 East, NMPM, Lea County, New Mexico and in support of its application, Discovery states:

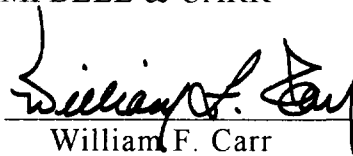
1. Discovery is the operator of the NW/4 SW/4 of Section 28 and the NE/4 SE/4 of Section 29 of Township 12 South, Range 38 East, NMPM, which in a companion application it seeks approval to unitize.
2. Discovery seeks an exception to Division Rule 104.C.(2)(b) to permit it to drill its proposed Lowe Well No. 1 at an unorthodox location 2300 feet from the South line and 100 feet from the East line of said Section 29 to a depth sufficient to test the Devonian formation, Trinity-Devonian Pool.
3. Approval of this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Discovery Exploration requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 15, 2001 and after notice and hearing as required by law, the Division enter its order granting this application.

Respectfully submitted,

HOLLAND & HART LLP
AND
CAMPBELL & CARR

By:

A handwritten signature in black ink, appearing to read "William F. Carr", written over a horizontal line.

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ATTORNEYS FOR DISCOVERY
EXPLORATION.

CASE 12765:

Application of Discovery Exploration. for an unorthodox gas well location, Lea County, New Mexico. Applicant in the above-styled cause seeks approval of an unorthodox gas well location in the Devonian formation, Trinity-Devonian Pool, for its Lowe Well No. 1 to be drilled at an unorthodox gas well location 2300 feet from the South line and 100 feet from the East line of said Section 29, Township 12 South, Range 38 East, NMPM. Said well is located approximately 11 miles east of Tatum, New Mexico.