Jason Kellahin W. Thomas Kellahin Karen Aubrey James B. Grant

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

Telephone 982-4285 Area Code 505

April 2, 1984

Case 8/58

Mr. Joe D. Ramey Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Wallace Oil & Gas Inc.

Dear Mr. Ramey:

Please set the enclosed application for approval of three (3) unorthodox well locations for hearing on April 25, 1984.

Very truly

Thomas Kellah

WTK:rab Enclosure

cc: Wallace Oil & Gas Inc.

50 Penn Place

Suite 850

Oklahoma City, OK 73118

APR 2 1384

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APR - 2.1984
OIL COMPERVATION ENVENOR
SANTA IT

STATE OF NEW MEXICO

DEPARTMENT OF ENERGY AND MINERALS

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF WALLACE OIL & GAS INC., FOR APPROVAL OF THREE UNORTHODOX WELL LOCATIONS, ROOSEVELT COUNTY, NEW MEXICO.

CASE 8/58

APPLICATION

APR 2 1984

COMES NOW, Wallace Oil & Gas Inc., by and through its attorneys, KELLAHIN and KELLAHIN, and applies to the New Mexico Oil Conservation Division for approval of three unorthodox gas well locations in the North Chaveroo-Canyon Gas Pool, Roosevelt County, New Mexico, and in support thereof would show:

- 1. Applicant proposes to drill the following wells, each of which is at an unorthodox well location:
 - Wallace Oil & Gas Inc., #1-4M Tucker 660' FSL and 660' FWL Section 4, T7S, R33E S/2 Dedication
 - b) Wallace Oil & Gas Inc., #2-5P Tucker 660' FSL and 660'FEL Section 5, T7S, R33E S/2 Dedication
 - c) Wallace Oil & Gas Inc., #1-8A Tucker 660' FNL and 660'FEL Section 8, T7S, R33E N/2 Dedication

- 2. The proposed three unorthodox well locations are necessary in order to protect the applicant's acreage from drainage from the Union Oil Company of California well located at an unorthodox well location 660'FNL and 660' FWL of Section 9, T7S, R33E, NMPM.
- 3. That approval of the application is in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that the Application be approved as requested.

KELLAHIN and KELLAHIN

P. O. Box 2265

Santa Fe, New Mexico 87504-2265

(505) 982-4285

W. Thomas Kellahir