BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF BLISS PETROLEUM, INC. FOR AN UNORTHODOX GAS WELL LOCATION, LEA COUNTY, NEW MEXICO

case no. 8773

APPLICATION

COMES NOW Bliss Petroleum, Inc., by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the San Andres formation, underlying:

Township 22 South, Range 37 East, N.M.P.M.

Section 5: SW/4

containing 160 acres, more or less,

and proposes to recomplete the J. W. Grizzell "A" No. 1 Well, previously drilled, plugged and abandoned by Gulf Oil Corporation in 1975 as the South Penrose Skelly Unit Well No. 220, at a point located 1,034 feet from the south line and 2,635 feet from the west line of said Section 5.

2. The Applicant seeks an exception to the well location requirements of Rule 104 of the Oil Conservation Division to permit the recompletion of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the San Andres formation.

- 3. A standard 160-acre gas proration unit comprising the SW/4 of said Section 5 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of gas.
- 4. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share of gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant prays:

- A. That this Application be set for hearing before an examiner and that notice of said hearing be given as required by law.
- B. That upon hearing the Division enter its order granting Applicant permission to recomplete the J. W. Grizzell "A" No. 1 Well at a point 1,034 feet from the south line and 2,635 feet from the west line of said Section 5, and to dedicate the SW/4 of Section 5 to said well.

C. And for such other and further relief as may be just in the premises.

BLISS PETROLEUM, INC.

Chad Dickerson

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Attorneys for Applicant