STATE OF NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS OIL CONSERVATION DIVISION

TEAC IN 1087

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF MERIDIAN OIL INC. FOR APPROVAL OF AN UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO.

CASE: 9//6

APPLICATION

Comes now MERIDIAN OIL INC., by and through its attorneys, Kellahin, Kellahin & Aubrey, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox well location for its Benson "3" Federal #1 well, drilled and completed at a location 2,080 feet from the East line and 760 feet from the North line of Section 3, T19S, R30E, Eddy County, New Mexico, and in support thereof states:

- 1. Applicant has drilled and completed its Benson "3" Federal #1 well at a location 2080 feet from the East line and 760 feet from the North line of Section 3, Tl9S, R30E, Eddy County, New Mexico.
- 2. The subject well is located within a mile of the Benson-Strawn Oil Pool and is currently subject to Special Rules and Regulations of that pool, requiring that well be located no closer than 660 feet to the outer boundary of the 160-acre spacing units for that pool.

- 3. Applicant seeks to have the subject well approved as an unorthodox well location for the Benson-Strawn Oil Pool or in the alternative to have the subject well approved as an unorthodox gas well location if Yates Petroleum Corporations application in Case 9109 is granted, thereby amending and reclassifying the Benson Strawn Oil Pool as a Gas Pool.
- 4. The following are the offset operators believed to have an interest in this application and to which notification of this application has been sent in accordance with the provisions of Division Order R-8054.

Yates Petroleum Corporation 105 S. Fourth Street Artesia, New Mexico 88210 Attn: Mr. Randy Patterson

Texaco, Inc. P. O. Box 728 Hobbs, New Mexico 88240

Phillips Petroleum Company 4001 Penbrook Odessa, Texas 79762

Mobil Producing Texas & New Mexico Inc. Nine Greenway Plaza, Suite 2700 Houston, Texas 77046

Respectfully Submitted:

W. Thomas Kellahin

Kellahin, Kellahin & Aubrey

P. O. Box 2265

Santa Fe, New Mexico 87504

By.