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OCT 19 1988

BEFORE THE

OIL CONSERVATION DIVISION

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NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF
AMERIND OIL COMPANY FOR DIRECTIONAL
DRILLING AND AN UNORTHODOX
WELL LOCATION, LEA COUNTY, NEW MEXICO.

CASE NO. 9524

APPLICATION

AMERIND OIL COMPANY, by and through its undersigned attorneys, hereby makes application to the Oil Conservation Division for approval of directional drilling and an unorthodox well location, and in support thereof would show the Division:

1. Applicant is the operator of the E/2 ^{SE}SW/4 of Section 2, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico, on which is located its MTS State No. 1 Well at a surface location 1830 feet from the South line and 660 feet from the East line of Section 2. This well was drilled to an approximate depth of 11,800 feet to test the Strawn formation and was plugged and abandoned in December, 1987.

2. Applicant proposes to either reenter its MTS State No. 1 Well and directionally drill to a bottom hole location within 50 feet of a point 2310 feet from the South line and 330 feet from the East line of Section 2, or, should applicant be unable to reenter said well, to drill a new well at an unorthodox location

2310 feet from the South line and 330 feet from the East line of Section 2 to an approximate depth of 11,800 feet to test the Strawn formation, Shipp-Strawn Pool.

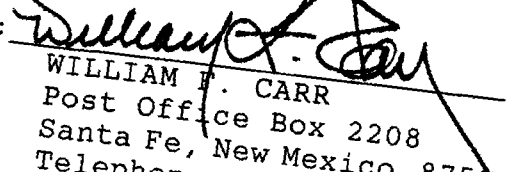
3. Applicant seeks authority to directionally drill and also seeks an exception to the well location requirements of Rule 4 of the Division's Special Rules and Regulations for the Shipp-Strawn Pool to permit the above described unorthodox well location in the Strawn formation.

4. A standard 80-acre spacing unit comprising the E/2 SE/4 of Section 2 should be dedicated to the well.

5. That approval of this application will afford applicant the opportunity to produce its just and equitable share of the hydrocarbons in the Strawn formation and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on November 9, 1988, that notice be given as required by law and the rules of the Division, and that the Division enter its order granting the applicant permission to reenter and directionally drill its MTS State No. 1 Well, approving an unorthodox location in the Strawn formation, and providing such other and further relief as is proper.

Respectfully submitted,
CAMPBELL & BLACK, P.A.

By: 
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR AMERIND
OIL COMPANY

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