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Attorneys at Law

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Santa Fe, New Mexico 87504-2265

May 16, 1988

FILED

MAY 17 1988

OIL CONSERVATION DIVISION

Mr. William J. LeMay
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Tipperary Oil & Gas Corporation
for an Unorthodox Subsurface
Location and Approval to
Intentionally Deviate Well Bore
Lea County, New Mexico

Case 9410

Dear Mr. LeMay:

On behalf of Tipperary Oil & Gas Corporation, please set the enclosed application for hearing at the next available examiner's docket now set for June 8, 1988.

We suggest the following to be used for the advertisement for this case:

Application of Tipperary Oil & Gas Corporation for an unorthodox subsurface location and directional drilling, Lea County, New Mexico. Applicant in the above styled cause seeks approval to plug back its Monsanto 30 State No. 2 Well to 8,230 feet and then commence drilling directionally to penetrate the top of the pool at a true vertical depth of approximately 11,050 feet and within a 150 foot radius of an unorthodox subsurface location 1200 feet from the South line and 660 feet from the East line of Section 30, T16S, R37E, Northeast Lovington Penn Pool, with the E/2SE/4 of said section being dedicated to its Monsanto 30 State #2 Well, forming a standard 80-acre oil spacing and proration unit for said pool. Said location is approximately 4 miles Southeast of Lovington, New Mexico.

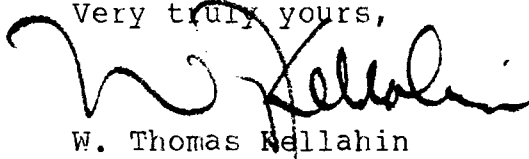
By copy of this letter and application sent certified mail return-receipt to all offset operators, we are notifying each of them of the right to appear at the hearing either in support or in opposition to this

KELLAHIN, KELLAHIN & AUBREY

Mr. William J. LeMay
May 16, 1988
Page 2

application. Should any such party desire more information about this matter or about the procedures to hearing this application, they may call the Division or the undersigned.

Very truly yours,



W. Thomas Kellahin

WTK:ca

cc: Mr. Joe W. Younger
Tipperary Corporation
511 W. Ohio Street
Box 3179
Midland, Texas 79702-3179

"Certified-Return Receipt Requested"

All parties listed on Exhibit "A"

HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANDR
C. D. MARTIN
PAUL J. KELLY, JR.
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD
RICHARD E. OLSON
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RICHARD R. WILFONG
STEVEN D. ARNOLD
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWITT
JAMES BRUCE
JERRY F. SHACKELFORD
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ALBERT L. PITTS
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JOHN C. CHAMBERS
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FRANKLIN M. MCCALLUM
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REBECCA NICHOLS JOHNSON
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JAMES C. BROCKMANN
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May 4, 1988

OF COUNSEL
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MACK EASLEY
JOE W. WOOD
STEPHEN L. ELLOTT

CLARENCE E. HINKLE (190-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1916-1987)

*NOT LICENSED IN NEW MEXICO

RECEIVED

MAY 1988

OIL CONSERVATION DIVISION

Page 941

HAND DELIVERED

Mr. William LeMay
New Mexico Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Re: Monsanto 30 State No. 2 Well, located 1830 feet from the south line and 660 from the east line (Unit I) of Section 30, Township 16 South, Range 37 East, Lea County, New Mexico.

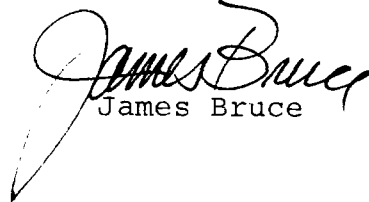
Dear Mr. LeMay:

We represent Spectrum 7 Energy Corp., Spectrum 7 1983-A Drilling Program, and Spectrum 7 1983-B Drilling Program, who are working interest owners in the above well. The well was drilled as a Strawn test to an approximate depth of 10,400 feet, and the N $\frac{1}{4}$ SE $\frac{1}{4}$ of the section was dedicated to the Unit. The well is located within the Northeast Lovington Penn Pool. The well encountered low permeability, and the operator, Tipperary Petroleum Company, obtained verbal approval from the Division to sidetrack the well to the east, retaining the same N $\frac{1}{4}$ SE $\frac{1}{4}$ unit. Subsequently, Tipperary Petroleum filed a request with the Division to sidetrack the well to the south, rather than to the east, and to change the proration unit from the N $\frac{1}{4}$ SE $\frac{1}{4}$ to the E $\frac{1}{4}$ SE $\frac{1}{4}$ of the section. The proposed bottom hole location of the sidetracked well would be 1200 feet from the south line and 660 feet from the east line. The Spectrum 7 entities object to the south directional sidetrack and to the change in proration unit. The Spectrum 7 entities believe that the geology in this area requires two laydown units in the SE $\frac{1}{4}$ of the section. In addition, the cost of the sidetrack to the south is such that it would be preferential to drill an entirely new well in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ rather than relying on the sidetracking, which could involve mechanical and other problems. The Spectrum 7 entities therefore request that the south sidetrack and the change in proration unit be denied by the Division.

Mr. William LeMay
May 4, 1988
Page 2

Very truly yours,

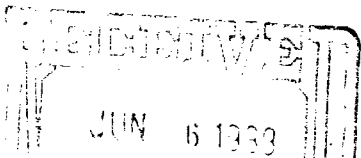
HINKLE, COX, EATON,
COFFIELD & HENSLEY



James Bruce

JGB:jr

cc: Mike Childers
OCD Hobbs Office
Michael E. Stogner
Tipperary Petroleum



KELLAHIN, KELLAHIN and AUBREY
DIVISION Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe
Post Office Box 2265

Telephone 982-4285
Area Code 505

Jason Kellahin
Of Counsel

Santa Fé, New Mexico 87504-2265

June 2, 1988

Mr. David R. Catanach
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Application of Tipperary Oil & Gas Corporation
for an Unorthodox Oil Well Location and
Directional Drilling, Lea County, NM
NMOCD Case 9410

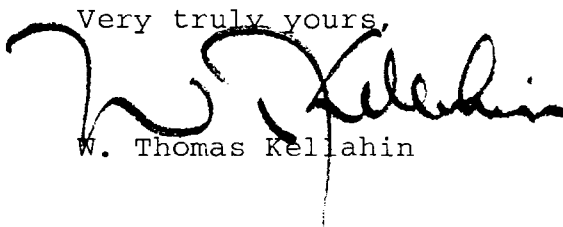
Dear Mr. Catanach:

Our firm filed the referenced application for
Tipperary Oil & Gas Corporation which is now set for
hearing on June 8, 1988.

I have been informed by Mr. Joe Younger of Tipperary
that the well is a dry hole and will be plugged and
abandoned.

Accordingly, please dismiss this application. By
copy of this letter I am notifying all interested parties
of the request for dismissal.

Very truly yours,



W. Thomas Kellahin

WTK:ca

cc: Mr. Joe W. Younger
Tipperary Corporation
511 W. Ohio Street
Box 3179
Midland, Texas 79702-3179

All parties listed on Exhibit "A"

Exhibit "A"

BHP Petroleum Company Inc.
#6 Desta Drive, Suite 3200
Midland, Texas 79705
Attn: Mr. Randall Davis

Moncrief Oil Interests
400 Metro Building
Midland, Texas 79701
Attn: Mr. Dewey Thornton

Harvey E. Yates Company
#1 Sunwest Center
Fifth and Main
Roswell, New Mexico 88201

Texaco, Inc.
500 N. Lorraine
P. O. Box 3109
Midland, Texas 79702
Attn: Mr. J. W. Cox (Engr. Mgr.)

James Bruce, Esq.
Attorney for Spectrum 7 Energy Corporation,
Spectrum 7 1983-A Drilling Partnership, and
Spectrum 7 1983-B Drilling Partnership
P. O. Box 2068
Santa Fe, New Mexico 87504

