

OIL CONSERVATION DIVISION
RECEIVED **BILL SELTZER**

'91 APR 22 AM 10 17
214 WEST TEXAS, SUITE 507
MIDLAND, TEXAS 79701

April 18, 1991

Re: Collins & Ware, Inc.
Application For Administrative Approval
Unorthodox Location
T-8-S, R-27-E
Section 14: S/2
Chaves County, New Mexico

Mr. Michael E. Stogner
OCD
State of New Mexico
P.O. Box 2088
Land Office Building
Santa Fe, New Mexico 87501

Dear Mr. Stogner:

Pursuant to our conversation of Tuesday, April 15, 1991, Santa Fe, New Mexico, enclosed please find Waiver from Yates Petroleum Corporation.

We request the OCD to grant Collins & Ware, Inc. an administrative approval for the above unorthodox location.

If you need additional information please do not hesitate to call.

Yours very truly,


Bill Seltzer

BS/kp
Enclosures

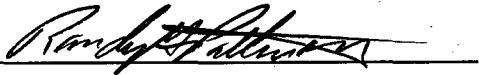
cc: Collins & Ware, Inc.

WAIVER

The undersigned party has no objections to Collins & Ware, Inc.'s application to drill a 6500' Montoya test at an unorthodox location in Chaves County, New Mexico, to-wit:

660 FSL and 990 FEL of
Section 14, T-8-S, R-27-E
Chaves County, New Mexico

Yates Petroleum Corp.

By: 


Collins & Ware, Inc.
Conastoga State #1
660' FSL, 990' FEL
Section 14, T-8-S, R-27-E
Chaves County, New Mexico

Geology

Drilling at the proposed location should encounter the primary objective Montoya Dolomite at a depth of approximately 6370'. Total depth is estimated at 6440'.

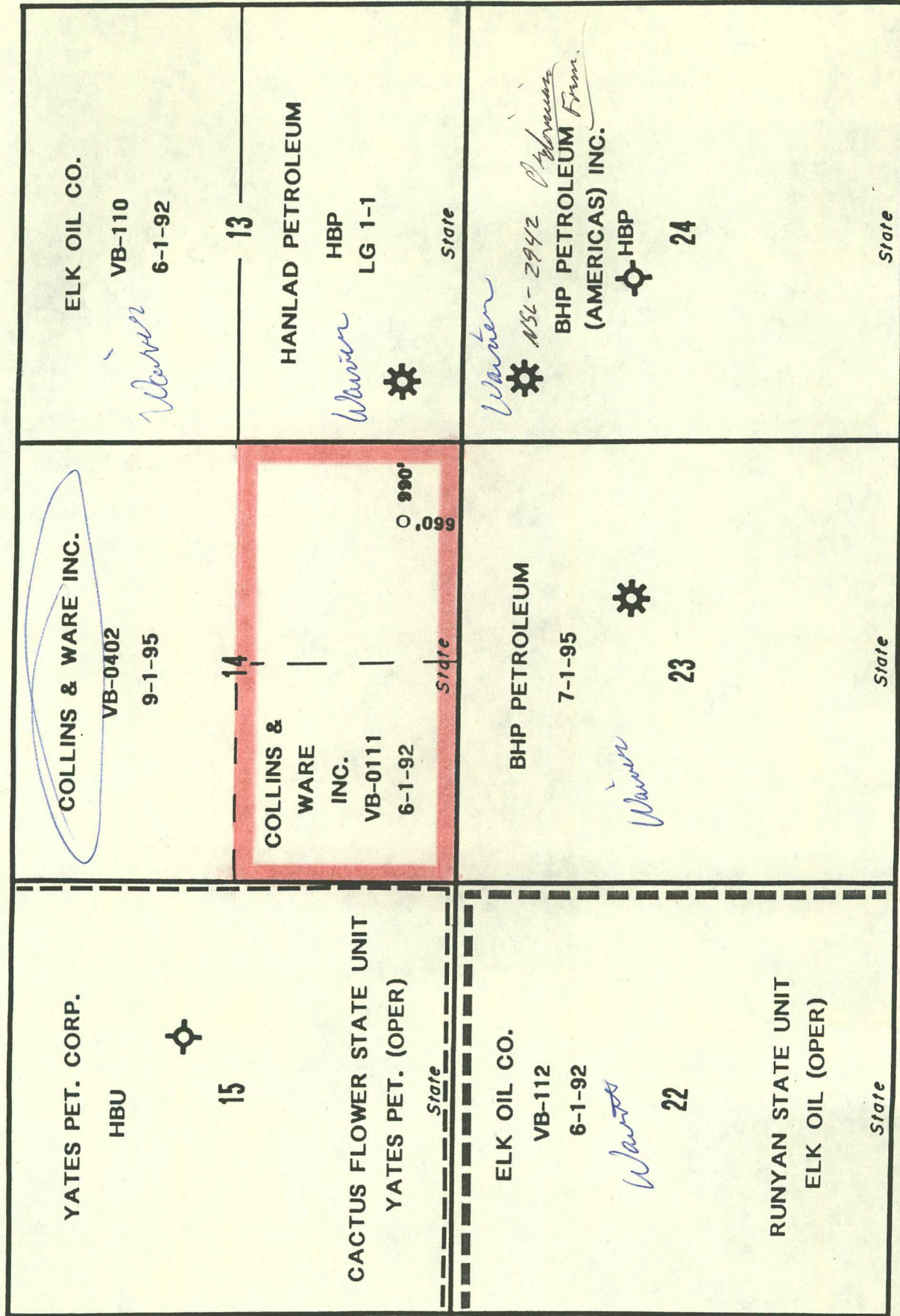
In Chaves County, the Montoya formation has proven to be commercially productive from north-south trending faulted anticlinal traps. The BHP Petroleum Inc. #1 Puffer State located approximately 4/10 mile southeast at 660' FNL and 990' FWL, Section 24, T-8-S, R-27-E was a recent successful Montoya test. Subsurface information from that and other offset wellbores define a faulted anticline that is bounded on the east by a north-south oriented fault and on the north by a NW-SE oriented cross-fault (Structure Map). The BHP well is near the crest of the structure and it is anticipated that the proposed location will lie along structural strike. Both the Rault Petroleum Corp. #1 Hanlad State located 660' FSL, 770' FWL, Section 13, T-8-S, R-27-E and the #1 Union State, 1980' FNL, 1980' FWL, Section 24, T-8-S, R-27-E, were situated on the downthrown side of these faults (Structure Map). Based upon log interpretations, the Rault Petroleum Corp. #1 Amoco State located approximately 1/2 mile southwest at 1980' FNL, 1980' FEL, Section 23, T-8-S, R-27-E, falls downdip and calculates wet within the Montoya formation.

The proposed proration unit for the Conastoga State #1 is the S/2 of Section 14, T-8-S, R-27-E. The structural position at the proposed location will allow the well to efficiently drain the Montoya gas reserves under the S/2 of Section 14, T-8-S, R-27-E and, therefore, is in the best interests of conservation and prevention of waste.


Herbert E. Ware, III
Geologist
Collins & Ware, Inc.

Exhibits: Montoya Structure Map
Structural Cross-Section A-A'

R-27-E



COLLINS & WARE INC.
MIDLAND, TEXAS
LAND PLAT