

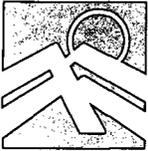
Apache

OIL CONSERVATION DIVISION
RECEIVED
93 FEB 8 AM 9 53

Via Federal Express

February 8, 1993

Mr. Mike Stogner
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, NM 87504



Re: **APPLICATION FOR ORTHODOX WELL LOCATION**
APACHE "13" FEDERAL WELL NO. 1
330' FEL AND 1330' FNL
SECTION 13, TOWNSHIP 22 SOUTH, RANGE 30 EAST
EDDY COUNTY, NEW MEXICO

Dear Mr. Stogner:

Mitchell Energy Corporation hereby requests administrative approval of an unorthodox location for the subject well at the location shown above. An unorthodox location is being requested due to potash restrictions. A copy of relevant correspondence from the Bureau of Land Management (BLM) is attached. The Application for Permit to Drill was filed with the BLM on December 2, 1992. The well will be drilled to a depth sufficient to test the Morrow formation.

A plat showing the ownership of all tracts offsetting the spacing unit for the subject well is attached. A copy of this application has been sent to each of those parties.

If you have any questions, please call me at (713) 377-5818.

Sincerely,

MITCHELL ENERGY CORPORATION

Mark N. Stephenson
Manager
Production-Regulatory Affairs

MNS:mtb
apache13.mns

cc: All Parties on Service List - *Via Certified Mail*

enc.
MITCHELL ENERGY CORPORATION 2001 TIMBERLOCH PLACE
P.O. BOX 4000, THE WOODLANDS, TEXAS 77387-4000 713/377-5500
A subsidiary of Mitchell Energy & Development Corp.

Service List
**Application of Mitchell Energy Corporation
for Unorthodox Well Location
Apache "13" Federal Well No. 1
Eddy County, New Mexico**

Plat Tract 1

Certified Mail-RRR-No. P771 497 447
Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

Plat Tracts 2,4, 1 & 8

Certified Mail-RRR-No. P771 497 448
Perry R. Bass, Inc., Lee M. Bass, Inc.
Sid R. Bass, Inc., ThruLine, Inc. & Keystone, Inc.
Bass Enterprises Production Co.
Attn: Jens Hansen
201 Main Street
Ft. Worth, Texas 76102-3105

Plat Tracts 4 & 7

Certified Mail-RRR-No. P771 497 449
Arco Oil & Gas Company
P.O. Box 1610
Midland, Texas 79702

Plat Tract 8

Certified Mail-RRR-No. P771 497 450
Kenneth Mark Smith, William Creed Smith & Lora Nell Smith
P.O. Box 727
Lovington, New Mexico 88260

Green London, Indiv. & Georgia Lou London Bergsten, Trustee of the
Margaret S. London Test. Trust
903 Pate
Carlsbad, New Mexico 88220

Plat Tracts 10 & 11

Certified Mail-RRR-No. P771 497 451
Dept. of Energy
Waste Isolation Pilot Project
P.O. Box 2078
Carlsbad, New Mexico 88221

Plat Tract 12

Certified Mail-RRR-No. P771 497 452
Yates Petroleum Corp., Yates Drilling Co., ABO Petroleum Corp.
& Myco Industries, Inc.
105 South Fourth Street
Artesia, New Mexico 88210



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office
1474 Rodeo Rd.
P.O. Box 27115
Santa Fe, New Mexico 87502-7115

TAKE
PRIDE IN
AMERICA
IN REPLY REFER TO:
3160 (067)
NM-89051

CERTIFIED--RETURN RECEIPT REQUESTED
P 696 486 640

AUG 21 1992

Mitchell Energy Corporation
Attention: George Mullen
P. O. Box 4000
The Woodlands, TX 77387-4000

RE: Apache "13" Federal Well No. 1
NM-89051
1980' FSL & 1980' FEL, Sec. 13, T22S, R30E
Eddy County, New Mexico

Dear Mr. Mullen:

On July 9, 1992, this office received an Application for Permit to Drill (APD) for the above referenced well location. This location falls within the designated Secretary's Potash Area as defined in the 1986 Secretary's Order.

Considerable time has been spent evaluating the physical characteristics of the ore body and the feasibility of economically mining potash in the subject area. A mineralogical evaluation of the various ore zones in the area leads us to conclude that the well site is located within a "Potash Enclave". Therefore, the drilling of this well may result in undue waste of potash.

In accordance with the 1986 Secretary's Order, the APD can not be approved at the present location. Therefore, your APD is returned unapproved. However, a shallower Delaware well could be drilled 330 feet or less from the eastern edge of the section, between 1320 and 3300 feet from the north line of the section.

This decision was given serious consideration by the Bureau of Land Management (BLM), regrettably, it may have an adverse impact to your company. Therefore, and in accordance with 43 CFR 3165.4, you may appeal this decision to the Interior Board of Land Appeals according to the procedures outlined on the enclosed Form 1842-1. Please contact Tony Herrell at (505) 887-6544, if you have any further questions.

Sincerely,

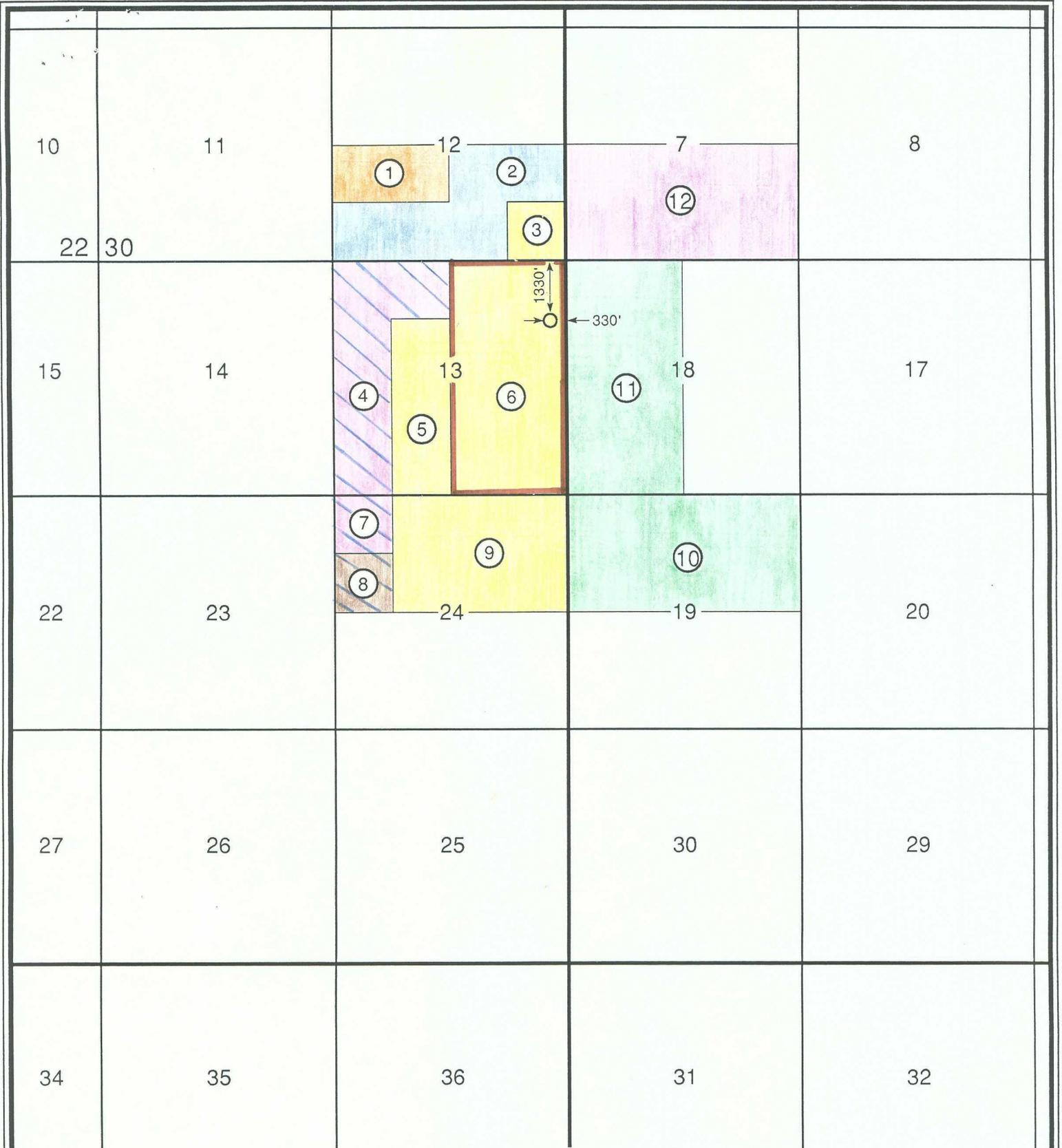

Larry L. Woodard
State Director

2 Enclosures:
1 - Form 1842-1
2 - APD's (5 copies)

RECEIVED

AUG 24 1992

PRODUCTION
REGULATORY AFFAIRS



LEGEND

Plat Tracts

- 1 Phillips Petroleum Company
- 2,4,7,8 Perry R. Bass, Inc. et al
- 3,5,6,9 Mitchell Energy Corporation
- 4,7 Arco Oil & Gas Company
- 8 Kenneth Mark Smith et al
- 10,11 Department of Energy (WIPP)
- 12 Yates Petroleum Corp. et al



Mitchell Energy Corporation
 P.O. BOX 4000 • THE WOODLANDS, TEXAS 77387-4000

Offset Operators for Unorthodox Well Location
 Apache "13" Federal Well No. 1
 Sec. 13, T22S, R30E
 Eddy County, New Mexico

DATE: 2-5-93

SCALE: 1"=3000'

