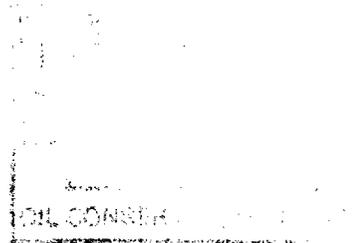


BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES



IN THE MATTER OF THE APPLICATION
OF ENRE CORPORATION FOR A
HORIZONTAL DIRECTIONAL DRILLING
PILOT PROJECT AREA, SPECIAL
OPERATING RULES THEREFOR, AND
AN UNORTHODOX LOCATION
RIO ARRIBA COUNTY, NEW MEXICO.

CASE NO. _____

APPLICATION

ENRE CORPORATION ("EnRe"), through its undersigned attorneys, hereby makes application for a horizontal directional drilling pilot project area and special operating rules therefor and an unorthodox location and in support thereof states:

1. EnRe is the operator of the Mancos formation, West Puerto Chiquito-Mancos Pool, underlying the 640-acre spacing unit comprised of Section 15, Township 27 North, Range 1 West, N.M.P.M., Rio Arriba County, New Mexico, hereinafter referred to as the "Project Area."

2. Within the Project Area, EnRe seeks authority to:

- (a) horizontally drill its Los Indios Canyon 15 N No. 1 Well from a surface location 1295 feet from the South line and 1360 feet from the West line of Section 15, Township 27 North, Range 1 West, in an easterly direction;
- (b) traverse quarter and quarter-quarter section lines within the Project

Area by its proposed horizontal wellbore; and

- (c) drill the proposed horizontal wellbore to within 330 feet of the outer boundary of the Project Area; and

3. Horizontally drilling within the Project Area should result in the recovery of significant volumes of oil and gas will not otherwise be recovered, thereby preventing waste.

4. Approval of this application will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, EnRe Corporation requests that this amended application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on October 27, 1994, and, after notice and hearing as required by law, the Division enter its Order granting this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

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

ATTORNEYS FOR ENRE CORPORATION

BEFORE THE
OIL CONSERVATION DIVISION



NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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