

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

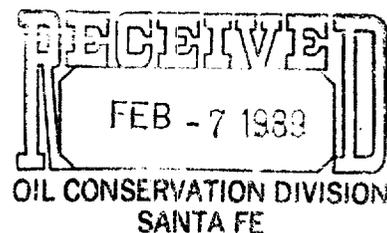
IN THE MATTER OF THE APPLICATION
OF BILL FENN, INC., FOR AN
UNORTHODOX LOCATION AND DUAL
COMPLETION, EDDY COUNTY,
NEW MEXICO.

NO. 9618

APPLICATION

Applicant states:

1. Applicant is the operator of Section 14, Township 21 South, Range 23 East, Eddy County, New Mexico;
2. Applicant proposes to dually complete a well drilled in an unorthodox location 990 FWL and 1650 FNL of said Section 14 to the Cisco and the Morrow Formations;
3. The proposed well is subject to the Indian Basin Upper Pennsylvanian Gas Pool Rules and the Indian Basin Morrow Gas Pool Rules which provide for 640-acre spacing and proration units and for well locations not closer than 1650 feet from the sides of a governmental section;
4. The proposed well is further subject to the General Rules and Regulations of the Division for dual completion;
5. That approval of this Application would be in the best interests of conservation of oil and gas and would not impair the correlative rights of offsetting operators and owners.

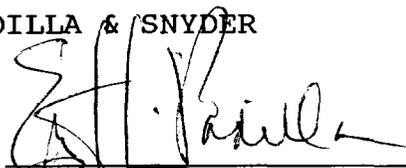


WHEREFORE, Applicant requests that after Notice and Hearing:

1. The Division approve the Application for dual completion;
2. To approve the Application of the requested unorthodox location;
3. For such and further relief as the Division deems proper.

Respectfully submitted,

PADILLA & SNYDER

By: 

Ernest L. Padilla
Post Office Box 2523
Santa Fe, New Mexico 87504-2523
(505) 988-7577

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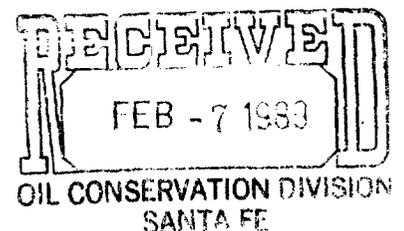
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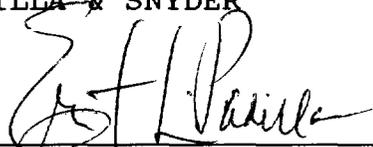


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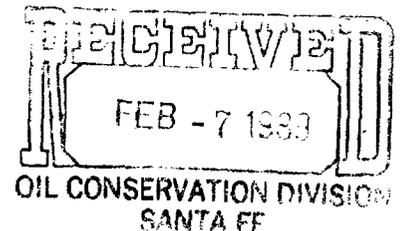
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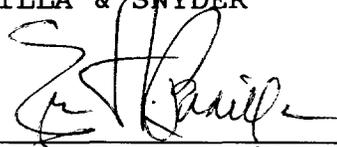


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PADILLA & SNYDER

ATTORNEYS AT LAW

200 W. MARCY, SUITE 212

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

ERNEST L. PADILLA
MARY JO SNYDER

FAX 988-7592
AREA CODE 505

(505) 988-7577

February 7, 1989

HAND-DELIVERED

Mr. William J. Lemay, Director
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 85701

Re: Application of Bill Fenn, Inc. for Unorthodox
Location and Dual Completion in Section 14,
Township 21 South, Range 23 East, Eddy County,
New Mexico.

Dear Mr. Lemay:

On behalf of our client, Bill Fenn, Inc., we are hereby submitting their application, in triplicate, for approval of an unorthodox location and dual completion in the above-captioned area.

If you have any questions or need further information from us, please let us know.

Thank you for your consideration of this application.

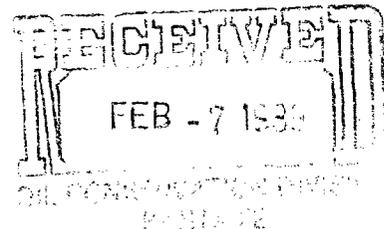
Very truly yours,

Ernest L. Padilla

ELP:njp

Enclosures as stated

cc: Bill Fenn, Inc.
U.S. Operating, Inc.



PADILLA & SNYDER

ATTORNEYS AT LAW

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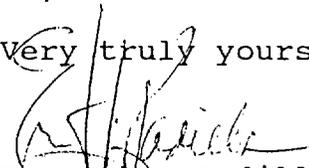
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL OFFSETTING OPERATORS (See attached list)

RE: Notice of Application for An Unorthodox Location
and Dual Completion, of Bill Fenn, Inc., Eddy
County, New Mexico.

Pursuant to the Rules and Regulations of the General Rules of the Oil Conservation Division of New Mexico, notice is hereby given of the above-referenced application. You may protest the enclosed application by appearing at the hearing of this application which will be heard on March 1, 1989, beginning at the hour of 8:15 a.m., at the offices of the Oil Conservation Division, State Land Office Building, 310 Old Santa Fe Trail, Santa Fe, New Mexico.

Very truly yours,


Ernest L. Padilla

ELP:njp

Enclosures: Copy of Application
List of Offsetting Operators

BEFORE EXAMINER LYON
Oil Conservation Division
Bill Fenn Exhibit No. 1
Case No. 9618