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*NOT LICENSED IN TEXAS

Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Attention: Florene Davidson

Re: Exxon Corporation
Special Gas Allowable Application

Dear Florene:

Enclosed herewith please find three originals of an Application for a hearing in connection with Exxon Corporation's request for a special gas allowable in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 34, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

This was placed on the docket for November 29, 1989, pursuant to my telephone conversation of November 7, 1989 with you. If anything more is needed, please call.

Thank you.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


Conrad E. Coffield

CEC:cl

copy: Exxon Corporation
Post Office Box 1600
Midland, Texas 79702
Attn: Richard D. Goddard

Case 98-7

RECEIVED

NOV 16 1989

OIL CONSERVATION DIVISION

Exxon Corporation
Post Office Box 1600
Midland, Texas 79702
Attn: Harlan C. Martens

Exxon Corporation
Post Office Box 1600
Midland, Texas 79702
Attn: Bill Duncan

Mr. Jim Bruce
500 Marquette N.W., Suite 740
Albuquerque, New Mexico 87102-2121

Certified Copy
Return Receipt
Requested:

Chevron U.S.A., Inc.
15 Smith Road
Post Office Box 1150
Midland, Texas 79702

Marathon Oil Company
125 W. Missouri Street
Post Office Box 552
Midland, Texas 79702

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

RECEIVED

NOV 16 1989

OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 9827

APPLICATION FOR EXXON CORPORATION
FOR A SPECIAL GAS ALLOWABLE
LEA COUNTY, NEW MEXICO.

APPLICATION

Comes now Exxon Corporation through its attorneys and respectfully requests approval of a special gas allowable for its Paddock Unit Well No. 2 in SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 34, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico and in support thereof, states as follows:

1. Applicant is the operator of the Paddock Unit Well No. 2 located 764 feet from the south line and 554 feet from the east line of said Section 34, Township 21 South, Range 37 East, N.M.P.M, Lea County, New Mexico.

2. Early in 1989, the Paddock Unit Well No. 2 was recompleted as a gas well in the Glorietta portion of the Paddock Pool. This is the first gas well completion of over 200 Paddock Field wells since the initial discovery of the field in the 1940's.

3. The Paddock field reservoir is now in its late primary stage of oil depletion, with most of the oil completions having been either plugged or recompleted in other producing horizons. As an encouragement to the ultimate depletion of hydrocarbons in the Paddock field, Applicant wishes approval of a special gas allowable of 1,000,000 scf per day for the Paddock Unit Well No. 2.

4. Applicant states Exhibit "A" to this Application is a schedule of the operators (other than Exxon) offsetting the SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 34, Township 21 South, Range 37 East, Lea County, New Mexico. These operators are being served with notice of this Application by certified mail, return receipt requested.

5. Applicant wishes inclusion in the order for this special gas allowable a provision calling for a subsequent review of the appropriateness of continuing the special allowable. Such review should be at a Division hearing, approximately two years from the effective date of the said order.

6. Approval of a special gas allowable will be in the interests of conservation, prevention of waste and protection of correlative rights.

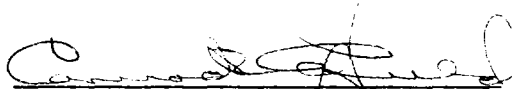
WHEREFORE, Applicant respectfully requests that this case be set for hearing on the docket for November 29, 1989.

Dated this 15th day of November, 1989.

Respectfully submitted,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By:



Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702

Attorneys for Applicant
Exxon Corporation

EXHIBIT "A"

Offset Operators

<u>Name</u>	<u>Address</u>
Chevron U.S.A, Inc.	15 Smith Road Post Office Box 1150 Midland, Texas 79702
Marathon Oil Company	125 W. Missouri Street Post Office Box 552 Midland, Texas 79702