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OF COUNSEL

TELEPHONE (505) 982-4285  
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October 23, 1990

HAND-DELIVERED

Mr. William J. LeMay  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Re: Pennzoil Exploration and Production  
Company's Application for an Unorthodox  
Gas Location, Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Pennzoil Exploration and Production  
Company, please set the enclosed application for hearing at  
the next available examiner's docket now set for November  
14, 1990.

We suggest the following to be used for the  
advertisement for this case:

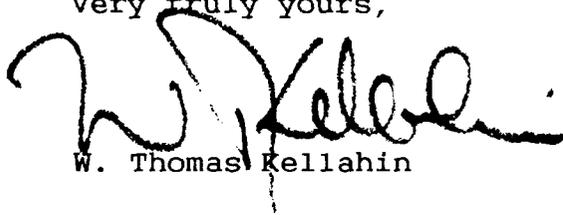
Application of Pennzoil Exploration and Production  
Company for an unorthodox gas well location, Lea  
County, New Mexico. Applicant in the above-styled  
cause seeks authority to drill its Mescalero "30"  
Federal No. 2 Well at an unorthodox gas well location  
1980 feet FNL and 990 feet FWL of Section 30, T19S,  
R34E, N.M.P.M., Lea County, New Mexico and to dedicate  
the N/2 to said well. Said location is approximately  
\_\_\_\_\_ miles from \_\_\_\_\_.

By copy of this letter and application sent certified  
mail, return-receipt requested, we are notifying each of the  
offsetting owners and/or operators of their right to appear  
at the hearing either in support of or in opposition to this  
application.

Mr. William J. LeMay  
October 23, 1990  
Page 2

Should any party desire more information about this matter or about the procedures for hearing this application, they may call the Division or the undersigned.

Very truly yours,



W. Thomas Kellahin

WTK/tic  
Enclosure

cc: Robert F. Blucher  
Pennzoil Exploration and Production Company  
P.O. Box 2967  
Houston, Texas 77252

"Certified-Return Receipt Requested"

All parties listed on Exhibit "B"

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

IN THE MATTER OF THE APPLICATION  
OF PENNZOIL EXPLORATION AND  
PRODUCTION COMPANY FOR AN  
UNORTHODOX GAS WELL LOCATION,  
LEA COUNTY, NEW MEXICO

CASE NO. 10148

APPLICATION

COMES NOW PENNZOIL EXPLORATION AND PRODUCTION COMPANY, by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for approval to drill its Mescalero "30" Federal No. 2 Well at an unorthodox gas well location 1980 feet from the North line and 990 feet from the West line of Section 30, T19S, R34E, N.M.P.M., Lea County, New Mexico and to dedicate the N/2 of said Section 30 to the subject well for all 320 acre gas spacing pools including, but not limited to the Quail Ridge Morrow gas pool and in support thereof states:

1. Applicant is a working interest owner and the operator of the N/2 of Section 30, T19S, R34E.

2. As a result of geologic conditions and in order to obtain a drilling location for the N/2 of said Section the applicant seeks the subject unorthodox well location.

3. Mitchell Energy Corp. is the diagonally offsetting operator towards whom the well is located.

4. Chevron USA, Inc. and Unocal Oil Corporation are the direct offsetting operators towards whom the well is located.

5. Applicant proposes to dedicate the well to the N/2 of Section 30.

6. Attached as Exhibit "A" is a plat showing all of the acreage dedicated to the subject well and the surrounding acreage.

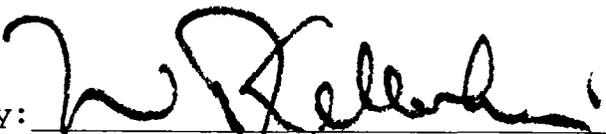
7. Attached as Exhibit "B" is a list of all offsetting owners and/or operators who are required by Division rules to receive notification of this application.

8. Pursuant to Division rules, a copy of this application was mailed by certified mail, return-receipt requested, to all parties listed on Exhibit "B".

WHEREFORE, Applicant requests that after notice and hearing the application be granted.

Respectfully submitted:

KELLAHIN, KELLAHIN & AUBREY

By: 

W. Thomas Kellahin  
Post Office Box 2265  
Santa Fe, New Mexico 87504

(505) 982-4285



EXHIBIT "B"

Chevron USA, Inc.  
P.O. Box 1150  
Midland, Texas 79702

Unocal Oil Corporation  
P.O. Box 3100  
Midland, Texas 79702

Mitchell Energy Corp.  
P.O. Box 4000  
The Woodlands, Texas 77387