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EL PATIO BUILDING

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OF COUNSEL

TELEPHONE (505) 982-4285
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January 29, 1991

SANTA FE
OIL CONSERVATION DIV.

JAN 29 1991

RECEIVED

Mr. William J. LeMay
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504


Re: Application of Pitts Energy Co.
for an Unorthodox Oil Well Location,
Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Pitts Energy Co. please find enclosed our Application for an Unorthodox Oil Well Location for the referenced well which we request be set for hearing on the next available Examiner's docket now scheduled for February 21, 1991.

By copy of this letter, including the application, to all parties, we are notifying them by certified mail, return-receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application.

Very truly yours,



W. Thomas Kellahin

WTK/tic
Enclosure

Mr. William J. LeMay
January 29, 1991
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cc: Mr. Gregory S. Pitts
Pitts Energy Co.
511 West Ohio, Suite 300
Midland, Texas 79701

Certified Mail Return-Receipt
All parties listed on Exhibit "A"
of the application w/enclosures

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

IN THE MATTER OF THE APPLICATION OF
PITTS ENERGY CO. FOR APPROVAL OF
AN UNORTHODOX OIL WELL LOCATION,
EDDY COUNTY, NEW MEXICO

RECEIVED

JAN 29 1991

OIL CONSERVATION DIV.
SANTA FE

A P P L I C A T I O N

10248

COMES NOW PITTS ENERGY CO., by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox oil well location for production from any oil pool spaced on 40 acres, including but not limited to the Gladiola Pool, the Gladiola-Wolfcamp Pool and the East Gladiola-Devonian Pool, for a well to be drilled to a total depth of 12,000 feet to the base of the Devonian formation, at an unorthodox location 1650 feet from the East line and 1500 feet from the South line of Section 5, T12S, R38E, N.M.P.M., Lea County, New Mexico with the dedication of a standard spacing and proration unit thereto consisting of 40 acres, more or less, being the (NW/4SE/4) of said Section 5 and in support states:

(Unit J)

1. Applicant, Pitts Energy Co., is the operator of and has the right to drill and develop the SE/4 of Section 5, T12S, R38E, N.M.P.M., Lea County, New Mexico.

2. The requested unorthodox well location is based upon a suitable geologic location at which to penetrate the Wolfcamp and Devonian pools with a vertically drilled well.

3. A standard location within the spacing unit is not as geologically favorable as the unorthodox location.

4. In accordance with Division Rule 1207, the following parties are entitled to and have been sent notice of this application:

SEE EXHIBIT "A"

5. Approval of the application, without a production penalty, will afford the operator and the other mineral interest owners for this spacing unit the opportunity to recover its proportionate share of the oil from the pools thereby preventing waste and protecting correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, this application be approved as requested.

KELLAHIN, KELLAHIN & AUBREY

By: 

W. Thomas Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

EXHIBIT "A"

Richard M. Kendrick Jr., Kenneth Lee Kendrick,
Karen Lee Kendrick, Patsy Ruth Stice Weichsel and
Barbara Ann Hill;

Herbert S. Kendrick and Richard M. Kendrick III
Independent Co-Executors of the Estate of Sam K.
Kendrick, Deceased;

Edward A. Copley and John J. Kendrick Jr. as Co-
Trustees of the Kathryn Gene Kendrick Trust and as
Co-Trustees of the Herbert Spencer Kendrick III
Trust;

Glory Gaines Kendrick and Richard Marshall Kendrick
III as Co-Trustees of the Richard Marshall Kendrick
III Irrevocable Trust

all of the above c/o P.O. Box 802436
Dallas, Texas 75380-2436
Attn: Mr. Alan Eubanks

The William K. Warren Foundation
Box 45372
Tulsa, Oklahoma 74145

Kathleen Cone and Eunice Gibson
Box 1148
Lovington, New Mexico 88260

Thomas R. Cone
Box 778
Jay, Oklahoma 74346

Clifford Cone
Box 6010
Lubbock, Texas 79413

Marilyn Cone, Ttee for the D.C. Trust
Box 64244
Lubbock, Texas 79464

Cathie Cone Auvenshine
Box 33280-297
Austin, Texas 78964

Kenneth G. Cone
Box 11310
Midland, Texas 79702

*Sinclair Oil & Gas Co.
Kendrick Estate Will No. 1
1980 F54E2
Spud: 12/2/56
POA'd, Dec. 1965
Gladia Dev. Prod. ~~as~~
306225 B.O.
Gladia Wisc.
8583 B.O.*

Roy G. Barton Jr. Indiv. & as Ttee of the Roy G.
Barton Sr. & Opal Barton Revocable Trust, and Opal
G. Barton Individually
Box 978
Hobbs, New Mexico 88240

Mattie O. Pope a widow
2800 W. Illinois Ave.
Midland, Texas 79701