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May 2, 1984

RECEIVED

MAY - 3 1984

OIL CONSERVATION DIVISION

Mr. Joe D. Ramey  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

"Hand Delivered"

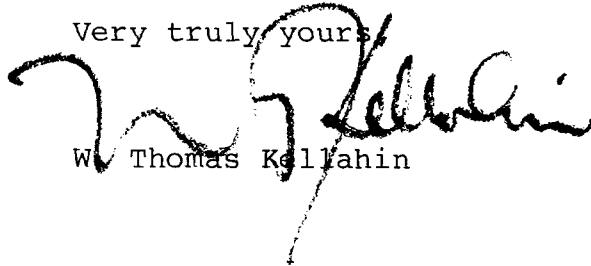
Re: Costa Resources, Inc.

*Case 8204*

Dear Mr. Ramey:

Please set the enclosed application for the  
Examiner Hearing now docketed for June 6, 1984.

Very truly yours,



W. Thomas Kellahin

WTK:ca  
Enc.

cc: Mr. Scott Wilson  
Rio Pecos Corporation  
212 American Home Building  
Artesia, New Mexico 88210

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

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MAY - 3 1984

IN THE MATTER OF THE APPLICATION  
OF COSTA RESOURCES, INC., FOR  
APPROVAL OF AN UNORTHODOX WELL  
LOCATION, EDDY COUNTY, NEW MEXICO.

OIL CONSERVATION DIVISION

CASE: 8204

A P P L I C A T I O N

Comes now COSTA RESOURCES, INC., by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox well location in the Pennsylvanian Formations at a location 1600 feet from the South line and 660 feet from the East line of Section 2, T18S, R28E, NMPM, Eddy County, New Mexico, for a S/2 dedication and in support thereof would show:

1. Applicant is the operator of the S/2 of Section 2, T18S, R28E, NMPM, Eddy County, New Mexico.

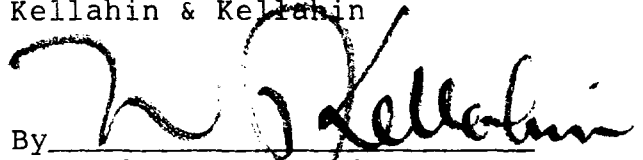
2. Applicant proposes to drill a well to test the Morrow formation at the approximate depth of 11,100 feet and to dedicate the S/2 of said Section 2 to the well.

3. Applicant proposes to drill the well at a surface location 1600 feet from the South line and 660 feet from the East line of said Section 2.

4. That approval of the application will be in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, the applicant requests that the application be set for hearing and that after hearing the application be granted as requested.

Kellahin & Kellahin

By 

W. Thomas Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87501

(505) 982-4285

Attorneys for Costa Resources  
Inc.