

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

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NOV 1 - 1985

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF PENNZOIL COMPANY FOR APPROVAL  
OF AN UNORTHODOX WELL LOCATION,  
NORTHEAST LOVINGTON PENNSYLVANIAN  
POOL, LEA COUNTY, NEW MEXICO.

CASE: 8777

A P P L I C A T I O N

Comes now PENNZOIL COMPANY, by and through its attorneys, KELLAHIN & KELLAHIN, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox gas well location for a Strawn Test 660 FWL and 1400 FSL, Section 17, T16S, R37E, Northeast Lovington Pennsylvanian Pool, Lea County, New Mexico, and in support thereof would show:

1. Applicant is the operator of the W/2SW/4 of Section 17, T16S, R37E, Lea County, New Mexico, and proposes to dedicate the subject acreage to a well to be drilled at an unorthodox well location, 660 FWL and 1400 FSL in said section for production from the Northeast Lovington Pennsylvanian Pool.

2. That Rule 4 of the Special Rules and Regulations for the subject pool requires wells to be located within 150 feet of the center of a governmental quarter-quarter section.

3. That applicant seeks an exception to Rule 4 so that it can locate the subject well at the optimum geologic location from which to develop the W/2SW/4 of said section.

4. That the unorthodox well location reduces the risk that would otherwise occur at a standard location.

5. That approval of the requested location provides the applicant with the opportunity to test the Strawn formation at the best location thereby increasing the opportunity to recover any oil that may be located within the W/2SW/4 of said section.

Wherefore applicant requests that after notice and hearing, the application be granted as requested.

Respectfully submitted:

  
W. Thomas Kellahin