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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION
OIL CONSERVATION DIVISION

APPLICATION OF ELF AQUITAINE
PETROLEUM, A DIVISION OF ELF
AQUITAINE, INC., FOR THE DRILLING
OF A HORIZONTAL WELL AND SPECIAL
PROVISIONS FOR HORIZONTALLY
DRILLED WELLS WITHIN A PORTION
OF THE WEST LINDRITH GALLUP
OIL POOL, RIO ARRIBA COUNTY,
NEW MEXICO

No. 9-70

APPLICATION

Elf Aquitaine Petroleum, a division of Elf Aquitaine, Inc., hereby applies for approval of a horizontal directionally drilled well and for special provisions relating to such wells within a portion of the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, and in support thereof states:

1. Applicant is a working interest owner in the W 1/2 of Section 14, Township 23 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.
2. The W 1/2 of Section 14 is located within the West Lindrith Gallup-Dakota Oil Pool.
3. The special rules and regulations of the West Lindrith Gallup-Dakota Oil Pool provide for 160 acres oil well spacing, and further provide that said pool is governed by the general rules and regulations for the West Lindrith Gallup-Dakota Oil Pool promulgated by Order No. 4314.
4. The Chacon Jicarilla Apache D No. 2 Well is located in the NW 1/4 NW 1/4 of Section 14 and has the NW 1/4 of Section 14 dedicated to it. Said well is currently near depletion.

5. The Chacon Jicarilla Apache No. 6 Well is located in the SW 1/4 SW 1/4 of Section 14 and has the SW 1/4 of Section 14 dedicated to it. Said well is currently shut-in.

6. Applicant seeks approval to drill the Jicarilla Thomas Apache H No. 1 Well from a surface location 500 feet FNL and 1,500 feet FWL, Section 14, Township 23 North, Range 3 West, NMPM, and directionally drill horizontally through the Dakota formation, in a southeasterly direction. The producing interval in the horizontal portion of the well bore will be located in both the NW 1/4 and SW 1/4 of Section 14.

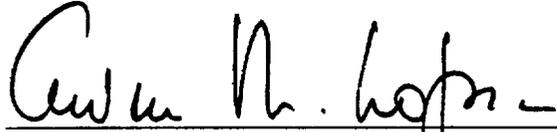
7. Applicant seeks special provisions for the W 1/2 of Section 14, within the Chacon-Dakota Associated Pool, for horizontal directionally drilled wells, including:

- A. Permission to dedicate two 160 acre units to one well. In particular, the NW 1/4 and SW 1/4 of Section 14 will be dedicated to the Chacon Jicarilla Apache H No. 1 Well.
- B. Relief from the orthodox well location requirements or Order No. R-4314. Specifically, applicant requests that a horizontal directionally drilled well not be considered unorthodox so long as the well perforations are no closer than 660 feet from the outer boundary of the W 1/2 of Section 14.
- C. An oil well allowable based upon two 160 acre units.

8. The matters requested herein by applicant are in the interests of conservation, the prevention of waste and the protection of correlative rights.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in black ink, appearing to read "Owen M. Lopez", written over a horizontal line.

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