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March 17, 1987

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ROBERT A. STONE (1905-1981)

*NOT LICENSED IN NEW MEXICO

Mr. Michael E. Stogner
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Dear Mike:

Enclosed is a draft application regarding Elf Aquitaine's proposed directional drilling case. Please review and give me your comments.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


James Bruce

JGB:jr
Enclosure

drill now location
1500' FW
500' FW

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF ELF AQUITAINE
PETROLEUM, A DIVISION OF ELF
AQUITAINE, INC., FOR DIRECTIONAL
DRILLING AND SPECIAL PROVISIONS
FOR DIRECTIONALLY DRILLED WELLS
WITHIN A PORTION OF THE
CHACON-DAKOTA ASSOCIATED
POOL, RIO ARriba COUNTY, NEW MEXICO

No. _____

APPLICATION

El 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 Chacon-Dakota Associated Pool in Rio Arriba County, New Mexico, and in support thereof states:

1. Applicant is a working interest owner in the $W\frac{1}{2}$ of Section 14, Township 23 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

2. The $W\frac{1}{2}$ of Section 14 is located within the Chacon-Dakota Associated Pool.

3. The special rules and regulations of the Chacon-Dakota Associated Pool, Order No. R-5353-B, provide for 160 acre oil well spacing and 320 gas well spacing, and further provide that said pool is governed by the general rules and regulations for associated oil and gas pools promulgated by Order No. R-5353.

4. The _____ No. 2 Well is located in the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 14 and has the $NW\frac{1}{4}$ of Section 14 dedicated to it. Said well is currently near depletion.

5. The _____ No. 6 Well is located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 14 and has the SW $\frac{1}{4}$ of Section 14 dedicated to it. Said well is currently shut-in.

6. Applicant seeks approval to re-enter the _____ No. 2 Well and directionally drill horizontally through the Dakota formation, in a southeasterly direction. The perforations in the horizontal portion of the well bore will be located in both the NW $\frac{1}{4}$ and SW $\frac{1}{4}$ of Section 14.

7. Applicant seeks special provisions for the W $\frac{1}{2}$ 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 SW $\frac{1}{4}$ and NW $\frac{1}{4}$ will be dedicated to the _____ No. 2 Well.
- (b) Relief from the orthodox well location requirements or Order No. R-5353. Specifically, applicant requests that a horizontal directionally drilled well not be considered unorthodox so long as the well perforations are no closer than ~~190~~ ^{330'} feet from the outer boundary of the W $\frac{1}{2}$ of Section 14.
- (c) An oil well allowable based upon a 320 acre unit.

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

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By _____

James Bruce

Post Office Box 2068

Santa Fe, New Mexico 87504-2068

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Attorneys for Applicant

4556 1 SE
INDRIT

NEW MEXICO
7.5 MINUTE SERIES (TOPOGRAPHIC)

107°07'30" (L)
36°15'

1910000
EET

4013

4012

3011
3. n. f. a. l.
position

~~RIO ARRIBA CO~~
~~SANDOVAL CO~~

4008

FIVE LAKES CANYON ME
#55611 NE