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November 12, 1987

Bill Lemay, Director
New Mexico Oil Conservation Division
P.O. Box 2088
New Mexico State Land Office Bldg.
Santa Fe, New Mexico 87504-2088

Case 9278

Re: Application of Texaco Producing, Inc. for Unorthodox
Well Location, State P No. 13, Section 32, T-16 S
R-37 E, Lea County, New Mexico

Dear Mr. Lemay:

Enclosed please find the Application of Texaco Producing, Inc. for Unorthodox Well Location, Lea County, New Mexico. On behalf of Texaco Producing, Inc. we request that this Application be set for hearing before the Division on December 16, 1987.

Thank you for your attention to this matter.

Very truly yours,

J. Scott Hall

J. Scott Hall

JSH/dmg
cc: Gary Kerns

BEFORE THE
NEW MEXICO OIL CONSERVATION DIVISION
DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF TEXACO PRODUCING, INC. FOR AN
UNORTHODOX WELL LOCATION, LEA
COUNTY, NEW MEXICO

Case 9278

APPLICATION

Texaco Producing, Inc., through its undersigned counsel, applies to the Oil Conservation Division for an order approving an unorthodox well location and in support thereof states:

1. Applicant is the operator of the Lovington Penn East field underlying the NW/4 SE/4 of Section 32, T-16S, R-37E, N.M.P.M., Lea County, New Mexico, and proposes to drill a well 1350' FSL and 2410' FEL of said Section 32.

2. Applicant seeks an exception to the well location requirements of the Oil Conservation Division Rule 104 to permit the drilling of the State P No. 13 Well at the above described unorthodox location to a depth sufficient to adequately test the Lovington Penn East pool.

3. A standard 40 acre oil proration unit comprising the NW/4 SE/4 of said Section 32 should be dedicated to the well.

4. Approval of the application will afford the applicant the opportunity to produce its just and equitable share of hydrocarbons and will otherwise be in the best interests of conservation, the protection of correlative rights and the prevention of waste.

5. Texaco Producing, Inc, is the owner of 100 percent of the operating rights in the acreage in the objective pool offsetting the proposed well location.

WHEREFORE, applicant requests that this matter be set for hearing before a duly appointed examiner of the Oil Conservation Division on December 16, 1987, that notice be given as required by law and the rules of the Division, and that the Division enter its order granting this application providing such other release as appropriate.

Respectfully submitted:

CAMPBELL & BLACK

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