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January 11, 1988

W. Thomas Kellahin

Karen Aubrey

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Of Counsel

Telephone 982-4285

Area Code 505

RECEIVED

JAN 12 1988

OIL CONSERVATION DIVISION

Mr. William J. LeMay  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Application of Pennzoil Company  
for approval of an Unorthodox  
Well Location for its  
#1 Maude Medlin Well,  
N/2SE/4 of Section 22, T16S, R37E,  
NMPM, Lea County, New Mexico

Case 9304

Dear Mr. LeMay:

On behalf of Pennzoil Company we have enclosed an application for the February 3, 1988 examiner's hearing. We suggest that the advertisement might be written as follows:

Application of Pennzoil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause seeks approval of an unorthodox oil well location to be drilled 1980 feet from the South line and 990 feet from the East line (Unit I) of Section 22, T16S, R37E, NMPM, Undesignated Northeast Lovington-Pennsylvanian Oil Pool, with the N/2SE/4 of said Section 22 to be dedicated to the well forming a standard 80-acre spacing and proration unit for said pool. In addition, applicant requests that the order entered in the subject case replace Division Order R-8555 which compulsorily pooled the E/2 of SE/4 of said Section 22. Said well is located approximately 2.75 miles South of New Mexico Milepost 7 on New Mexico Highway No. 83.

By copy of this letter and application, sent certified mail to all offset operators, we are notifying them of this application.

Very truly yours,



W. Thomas Kellahin

WTK:ca

Enc.

KELLAHIN, KELLAHIN & AUBREY

Mr. William J. LeMay  
January 11, 1988  
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cc: Mr. Greg Davis  
Pennzoil Company  
P. O. Box 2967  
Houston, Texas 77252-2967

"Certified Return-Receipt Requested"  
All parties listed in Exhibit "A"

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

RECEIVED

JAN 12 1988

OIL CONSERVATION DIVISION

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

Case: 9304

A P P L I C A T I O N

Comes now PENNZOIL COMPANY, by and through their attorneys, Kellahin, Kellahin & Aubrey, and apply to the Oil Conservation Division of New Mexico for approval of an unorthodox oil well location 1980 feet from the South line and 990 feet from the East line of Section 22, T16S, R37E, NMPM, Undesignated Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico, with the 80-acre spacing dedication for said well to be the N/2SE/4 of said section, and in support thereof would show:

1. As a result of Division Order R-8555 entered on November 24, 1987 in Case 9267, applicant obtained the compulsory pooling of the E/2SE/4 of Section 22, T16S, R37E, NMPM, and the approval of a subject well at a standard location 1980 feet from the South line and 810 feet from the East line of said section.

2. Subsequent to the entry of the subject order, applicant has obtained voluntary agreement among the working interest owners for changing the orientation of the spacing unit and moving the well location to an unorthodox well approximately 180 feet to the West of the location set forth in Order R-8555.

3. Accordingly, applicant seeks the dismissal of Order R-8555 and the concurrent approval of an unorthodox location 1980 feet from the South line and 990 feet from the East line of said Section 22. The subject well is located approximately 2.75 miles South of New Mexico Milepost 7 on New Mexico Highway No. 83.

4. The subject well is intended to be drilled to approximately 12,100 feet as a Strawn-Atoka test.

5. Applicant has sought and obtained the approval of the Director of the New Mexico Oil Conservation Division to commence the subject well prior to the hearing in order to avoid the expiration of certain of the applicant's leasehold interests in the subject spacing unit.

6. Applicant requests that this application be set on the next available examiner's docket now scheduled for February 3, 1988.

7. A copy of this application and notice of hearing have been sent by certified return-receipt requested as required by Division notice rules to all of the offset

operators and owners as shown on Exhibit "A" attached hereto.

WHEREFORE, applicant requests that this application be set for hearing on February 3, 1988 and after notice and hearing the application be granted as requested.

Respectfully submitted:

By 

W. Thomas Kellahin, Esq.  
Kellahin, Kellahin & Ubrej  
P. O. Box 2265  
Santa Fe, NM 87504

Attorneys for Applicant

EXHIBIT "A"

Offset Operators

Yates Petroleum Corporation  
Yates Drilling Company  
MYCO Industries, Inc.  
Abo Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Rio Pecos Corporation  
110 West Louisiana, Suite 460  
Midland, Texas 79701

Inexco Oil Company  
c/o The Louisiana Land and Exploration Company  
Suite 1200, 2950 North Loop West  
Houston, Texas 77092-8862  
Attn: Mr. C. M. VanZandt, III

W. Wesley Perry  
P. O. Box 371  
Midland, Texas 79702

Wolverine Exploration Company  
201 Main Street, Suite 400  
Fort Worth, Texas 76102  
Attn: Mr. Glenn A. Adams

E. M. Nominee Partnership Company  
P. O. Box 378111  
Denver, Colorado 80237  
Attn: Mr. Kathleen Doyle

EXHIBIT "A"