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AREA CODE 505

July 12, 1988

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Care 9045

JUL 1 2 1988

OIL CONSERVATION DIVISION

Ms. Florene Davidson Energy and Minerals Department Oil Conservation Division P. O. Box 2088 State Land Office Building Santa Fe, NM 87501

> Re: In the Matter of: The Application of Maxus Exploration Company for Approval of an Unorthodox Well Location and a Nonstandard Proration Unit, Lea County, New Mexico.

Dear Ms. Davidson:

Would you please file the enclosed Application of Maxus Exploration Company, and set the same for hearing. It is the writer's understanding that the same will be placed on the August 3, 1988 Docket.

Appreciating your courtesy, we are

Very truly yours,

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

Paul A. Cooter

PAC/bwh Enclosure

Randy Simmons cc:

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

RECEIVED

IN THE MATTER OF:

JUL 12 1988

OIL CONSERVATION DIVISION

THE APPLICATION OF MAXUS EXPLORATION COMPANY FOR APPROVAL OF AN UNORTHODOX WELL LOCATION AND A NONSTANDARD PRORATION UNIT, LEA COUNTY, NEW MEXICO.

Case No. 4445

APPLICATION

COMES NOW Applicant Maxus Exploration Company, by and through its attorneys, Rodey, Dickason, Sloan, Akin & Robb, P.A., and seeks approval for an unorthodox well location and a nonstandard proration unit for a well to be located 660' from the north line and 2160' from the west line of Section 6, Township 11 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and to dedicate Lot 3 and the NE/4SW/4 of said Section 6, comprising 57.1 acres, more or less, thereto as a nonstandard proration unit, and states:

- 1. Applicant proposes to drill a well at the above location to a depth of approximately 12,000' to test the Devonian Formation.
- 2. That location is not within an existing pool; the reason for such unorthodox location is based upon geologic conditions. The nonstandard proration unit consists of two contiguous tracts, Lot 3 being a short quarter-quarter section and the NE/4SW/4 being a regular quarter-quarter section to the south of Lot 3.

- 3. The granting of this Application would be in the best interests of conservation, prevention of waste and protection of correlative rights.
- 4. Applicant is the sole owner of the oil and gas leases covering all the offsetting acreage except the SW/4 of Section 34, Township 10 South, Range 37 East, which adjoins the proposed nonstandard proration unit to the north; to the best of Applicant's information and belief, the SW/4 of said Section 34 is unleased.

WHEREFORE, Applicant requests that after notice and hearing, this Application be granted and Maxus Exploration Company be granted approval for the drilling of its well at the unorthodox location heretofore set forth and the dedication thereto of the land heretofore described as a nonstandard proration unit for such well.

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

Paul A. Cooter Attorneys for Applicant

Post Office Box 1357

Santa Fe, New Mexico 87504-1357

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