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OIL CONSERVATION DIVISION

OIL CONSERVATION DIV.
SANTA FE

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF MW PETROLEUM CORPORATION/APACHE
CORPORATION FOR AMENDMENT OF
DIVISION ORDER NO. R-9487-A,
EDDY COUNTY, NEW MEXICO.

CASE NO. 10412

APPLICATION

COMES NOW MW PETROLEUM CORPORATION/APACHE CORPORATION,
by their undersigned attorneys, hereby makes application to the Oil Conservation Division
for an order amending Division Order No. R-9487-A and in support thereof states:

1. Applicant is the operator of the Smith Federal Gas Com. No. 2 Well located 2049 feet from the North line and 480 feet from the West line of Section 12, Township 22 South, Range 23 East, N.M.P.M., Eddy County, New Mexico, which pursuant to Order No. R-9487-A was drilled in October, 1991 and completed in the Indian Basin-Upper Pennsylvanian Gas Pool.

2. This well is a replacement well for the Smith Federal Gas Com Well No. 1 which was approved by Division Order No. R-9487 dated May 8, 1991. The No. 1 Well was originally proposed to be directionally drilled to a target area described as a rectangle 1800 to 2000 feet from the North line and 330 to 430 feet from the West line in Unit E of said Section 12. A standard 640-acre gas spacing and proration unit in the Indian Basin-Upper Pennsylvanian Gas Pool was to be dedicated to the well and, due to the

unorthodox bottomhole location for said well, an acreage factor of 0.49 was assigned to it for allowable purposes.

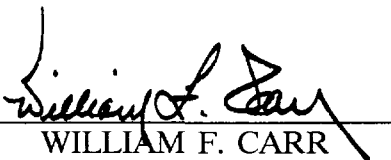
3. Although the acreage factor for the Smith Federal Gas Com Well No. 2 was not amended when the new location was approved, it is less unorthodox than the location for the Smith Federal Well No. 1 and, Applicant requests that the Oil Conservation Division therefore amend the acreage factor imposed on this well.

4. Approval of this application will not impair the correlative rights of any other operator in the pool and is otherwise in the best interest of conservation and the prevention of waste.

WHEREFORE, Applicant requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on November 21, 1991 and, that after notice and hearing as required by law, the Division enter its Order approving this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

By: 
WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS MW PETROLEUM CORPORATION/
APACHE CORPORATION