

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
MYCO INDUSTRIES, INC., FOR AN : CASE NO. _____
UNORTHODOX GAS WELL LOCATION, EDDY :
COUNTY, NEW MEXICO :
_____ :

APPLICATION FOR ADMINISTRATIVE APPROVAL OF
UNORTHODOX GAS WELL LOCATION

COMES NOW MYCO INDUSTRIES, INC., by and through its attorneys, Losee, Carson, Haas & Carroll, P. A. and in support hereof, respectfully states:

1. Applicant is the operator of the Morrow formation underlying:

Township 17 South, Range 25 East, N.M.P.M.

Section 34: E/2

and proposes to drill its MYD Federal No. 1 Well 990 ' from the South line and 1980' from the East line of said Section 34.

2. The applicant seeks an exception to the well location requirements of Rule 104-BI(a) of the Oil Conservation Division to permit the completion of the well at the above-mentioned unorthodox location to a depth sufficient to adequately test the Morrow and intermediate formation.

3. A 320-acre gas proration unit comprising the E/2 of said Section 34 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be reasonably productive of gas.

4. The approval of this application will afford applicant the opportunity to produce its just and equitable share of gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the