



PETROLEUM DEVELOPMENT CORPORATION

9720-B CANDELARIA, NE
ALBUQUERQUE, NEW MEXICO 87112
TELEPHONE (505) 293-4044

October 26, 1979

Mr. Joe D. Ramey
Secretary-Director
OIL CONSERVATION COMMISSION
PO Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

RE: Application for unorthodox location and non-standard proration unit for Petroleum Development Corporation's Llano-McKay Federal #1, 660' FN & WL, Section 13, T19S, R31E, Eddy County, New Mexico.

It is requested that the above-captioned well be placed on the November 14, 1979 docket for consideration of unorthodox location and non-standard proration unit. The proposed proration unit is the north half (320 acres) of Section 13, T19S, R31E, Eddy County, New Mexico.

The well was originally drilled (dry hole) as a 11,500' Strawn test as the Coastal States Gas Producing Company - Sweeney-Federal "A" #1. Petroleum Development Corporation plans to re-enter the well, replace the top portion of the 8-5/8" casing, and deepen to approximately 12,800' to test the Morrow formation.

The use of the dry hole to explore for Morrow gas production makes this prospect economically attractive, and should result in the discovery of additional gas reserves.

Sincerely,
PETROLEUM DEVELOPMENT CORPORATION


Charles W. Sanders, Vice President

CWS:cmj