

3. The unorthodox well location is based upon a 3-D seismic survey which indicates that the optimum location for a well in Unit A is at a location that is 228 feet from the north boundary of its spacing unit rather than the standard 330 feet. See Exhibit "A"

4. The well is located more than one mile from the current boundaries of any Devonian Oil pool and is subject to the Division general statewide rules including well spacing of 40-acre oil spacing and 330 foot setbacks.

5. The well only encroaches towards the SE/4SE/4 of Section 7 and the SW/4SW/4 of Section 8 which, with exception of Samedan Royalty Corporation and Fina Oil and Chemical Company, have the same interest owners as the subject 40-acre spacing unit.

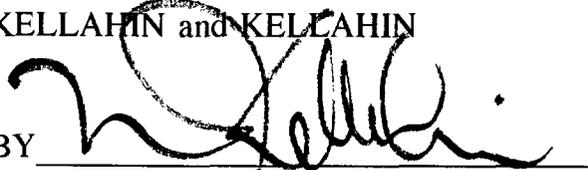
6. Approval of the application will afford the applicant the opportunity to produce its just and equitable share of the hydrocarbons in this portion of the Devonian formation and will otherwise prevent waste and protect correlative rights.

7. In accordance with Division Rule 1207, notice is being sent to those offsetting interest owners identified on Exhibit "B" attached.

8. Applicant requests that this matter be set for hearing at the next available Examiner's hearing now scheduled for January 5, 1995.

WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

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BY 

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