

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF PED OIL CORPORATION
FOR DIRECTIONAL DRILLING AND AN
UNORTHODOX BOTTOMHOLE LOCATION,
CHAVES COUNTY, NEW MEXICO.

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Oil Conservation Division
CASE NO. 77439

APPLICATION

PED Oil Corporation, through its undersigned attorneys, hereby makes application pursuant to Oil Conservation Division Rule 111 to re-enter and directionally drill its Mescalero Federal No. 1 Well to the Devonian formation, Graham Springs-Devonian Pool, and in support of this application states:

1. Applicant is the operator of the SW/4 NW/4 of Section 11, Township 12 South, Range 30 East, N.M.P.M., Chaves County, New Mexico.
2. Applicant proposes to drill its Mescalero Federal No. 1 Well from a surface location 1980 feet from the North and West lines of Section 11, to a proposed unorthodox bottomhole location within 50 feet of a point 1845 feet from the North line and 1131 feet from the West line of said Section 11, with the intent of testing the Devonian formation.
3. Applicant proposes to dedicate to the Mescalero Federal No. 1 Well a standard spacing or proration unit comprised of the SW/4 NW/4 of said Section 11.

4. Directionally drilling this well will enable PED Oil Corporation to more efficiently produce the reserves which underlie the above-described proration unit.

5. Approval of this application will enable the Applicant to produce hydrocarbons that otherwise would not be produced and will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on December 7, 1995, that notice be given as required by law and the rules of the Division, and that the Division enter its Order granting this application and providing such other relief as is proper.

Respectfully submitted,

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