

JAMES BRUCE

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OIL CONSERVATION DIV.
99 OCT 26 PM 9:44

October 26, 1999

12288

Hand Delivered

Florene Davidson
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed are an original and two copies of an application for an unorthodox gas well location and directional drilling, together with a proposed advertisement, filed on behalf of Kerr-McGee Oil & Gas Onshore LLC. Please set this matter for the November 18, 1999 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Kerr-McGee
Oil & Gas Onshore LLC

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF KERR-MCGEE OIL & GAS
ONSHORE LLC FOR AN UNORTHODOX GAS
WELL LOCATION AND DIRECTIONAL DRILLING,
EDDY COUNTY, NEW MEXICO.

No. 12288
99 OCT 26 PM 9:44
OIL CONSERVATION DIV.

APPLICATION

Kerr-McGee Oil & Gas Onshore LLC applies for an unorthodox gas well location in the Indian Basin-Upper Pennsylvanian Gas Pool in Section 17, Township 21 South, Range 23 East, N.M.P.M., Eddy County, New Mexico, and for approval of directional drilling, and in support thereof, states:

1. Applicant proposes to re-enter its West Indian Basin Unit Well No. 1, located 660 feet from the south line and 1980 feet from the west line of Section 17, and directionally drill the well to a location no closer than 1650 feet to the north, east, and west lines of the section, and no closer than 660 feet to the south line of the section. Section 17 will be dedicated to the well.

2. Approval of the unorthodox location and directional drilling will prevent waste and protect correlative rights.

3. Applicant has applied for administrative approval of the unorthodox location, and this application will be dismissed if administrative approval of the unorthodox location is granted.

WHEREFORE, applicant requests that the Division enter its order granting the relief requested above.

Respectfully submitted,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above a horizontal line.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Kerr-McGee Oil & Gas Onshore LLC

PROPOSED ADVERTISEMENT

CASE NO. 12288 : APPLICATION OF KERR-MCGEE OIL & GAS ONSHORE LLC FOR AN UNORTHODOX GAS WELL LOCATION AND DIRECTIONAL DRILLING, EDDY COUNTY, NEW MEXICO. Applicant seeks an order approving an unorthodox gas well location in the Indian Basin-Upper Pennsylvanian Gas Pool in Section 17, Township 21 South, Range 23 East, N.M.P.M. Applicant proposes to re-enter its existing West Indian Basin Unit Well No. 1, located 660 feet from the south line and 1980 feet from the west line of the section, and directionally drill the well to a location within a window no closer than 1650 feet to the north, east, and west lines of the section, and no closer than 660 feet to the south line of the section. Section 17 will be dedicated to the well. The well unit is located approximately 14.5 miles southwest of Seven Rivers, New Mexico.

OIL CONSERVATION DIV.
99 OCT 26 PM 9:45

JAMES BRUCE
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NOV 18 1999
OIL CONSERVATION DIVISION

November 16, 1999

Via Fax and U.S. Mail

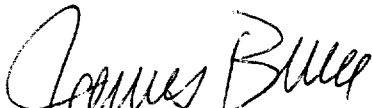
Lori Wrotenbery
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Case No. 12288; Application of Kerr-McGee Oil & Gas
Onshore LLC

Dear Ms. Wrotenbery:

Please dismiss the above case. Thank you.

Very truly yours,


James Bruce
Attorney for Kerr-McGee
Oil & Gas Onshore LLC