FOR THE OIL CONSERVATION COMMISSION

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STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CABOT CORPORATION FOR AN EXCEPTION TO RULE 3 OF THE SPECIAL RULES AND REGULATIONS FOR THE NORTH BAGLEY-WOLFCAMP POOL, LEA COUNTY, NEW MEXICO

Case No.

APPLICATION

Comes now Cabot Corporation and makes application for an exception to Rule 3 of the Special Rules and Regulations for the North Bagley-Wolfcamp Pool, Lea County, New Mexico, and in support of the application states:

1. Applicant is the owner and operator of its State of
New Mexico L-No. 1 Well located 330 feet from the West line and
1980 feet from the North line (Unit E) Section 23, Township 11
South, Range 33 East, N.M.P.M., Lea County, New Mexico.

Previously, Applicant had drilled and completed said well in the Bagley-Pennsylvanian Pool at an approximate depth of 9400 feet subsurface; pursuant to notice and approval (Form C-102, App. 1/16/63) Applicant plugged back said well to a total depth of approximately 8800 feet subsurface and perforated a producing interval in the North Bagley-Wolfcamp Pool, and as recompleted said well is producing or capable of producing oil or gas in paying quantities from such pool.

2. That Rule 3 of the Special Rules and Regulations for the North Bagley-Wolfcamp Pool require that each well completed in the pool to be located within 150 feet of the center of either quarter-quarter section in the 80-acre unit, and as stated above Applicant's well does not meet the terms and provisions of this

Rule. It is stated that the well was initially drilled in conformance with the then existing rules and regulations of this Commission and that to require adherence to the rule in the present instance would result in waste, the violation of the correlative rights of interested owners including Applicant and would not be in the best interests of the State of New Mexico. It is stated further that the granting of an exception to such Rule in the present instance would result in the avoidance of waste, the protection of the correlative rights of all interested parties and would otherwise be just, fair and reasonable under the circumstances.

WHEREFORE, Applicant respectfully requests that this Application be set down for hearing after due notice and that upon such hearing Applicant be granted an exception for well location in the State of New Mexico L-No. 1 Well (Unit E) Section 23, Township 11 South, Range 33 East, N.M.P.M., Lea County, New Mexico to Rule No. 3 of the Special Rules and Regulations for the North Bagley-Wolfcamp Pool; and for such other further aid in the premises to which Applicant may be justly entitled.

CABOT CORPORATION

Christy andividually S.B.

for Hervey, Dow & Hinkle as a member of the firm

P. O. Box 10

Roswell, New Mexico

Attorneys for the Applicant