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August 17, 1993

By Hand-Delivery

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

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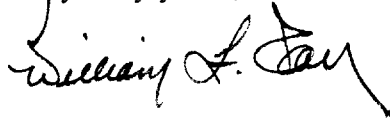
Case 10814

Re: Application of Collins & Ware, Inc. for a high angle/horizontal directional drilling pilot project and special operating rules, Lea County, New Mexico.

Dear Mr. LeMay:

Enclosed in triplicate is an application of Collins & Ware, Inc. in the above-referenced matter as well as a draft of a legal advertisement for this case. Collins & Ware, Inc. respectfully requests that this case be placed on the docket for the September 9, 1993, Examiner hearings.

Very truly yours,



William F. Carr

WFC:rw
enclosures
cc: Jim Orseth

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF COLLINS & WARE, INC. FOR A HIGH
ANGLE/HORIZONTAL DIRECTIONAL
DRILLING PILOT PROJECT AND SPECIAL
OPERATING RULES THEREFORE,
LEA COUNTY, NEW MEXICO

CASE NO. 1081A

APPLICATION

COLLINS & WARE, INC., through its undersigned attorneys, hereby makes application for approval of a high angle/horizontal directional drilling pilot project and special operating rules and in support thereof states:

1. Applicant is the operator of the Devonian formation, Denton-Devonian Pool, underlying the SW/4 SE/4 of Section 26, Township 14 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
2. Applicant proposes to re-enter and horizontally drill its S. & J. Operating T.D. Pope Well No. 14 from an orthodox surface location 660 feet from the South line and 1980 feet from the East line of Section 26 by re-entering the wellbore, plugging back the well and then directionally drilling in a southeasterly direction to reach the Devonian formation at a depth of approximately 12075 feet and then drilling horizontally until approximately 700 feet of lateral distance is attained.
3. The project area for the proposed horizontal well will be a standard oil proration unit comprised of the SW/4 SE/4 of Section 26.

4. Applicant seeks the adoption of special operating provisions and rules within the project area including the designation of a target window for the horizontal portion of the wellbore from 330 feet to 660 feet from the South line and from 1320 feet to 1980 feet from the East line of Section 26 thereby requiring the horizontal portion of the wellbore be set back at least 330 feet from the outer boundary of the standard unit.

5. Granting this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on September 9, 1993, and, after notice and hearing as required by law, the Division enter its Order granting this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE &
SHERIDAN, P.A.

By: _____
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
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ATTORNEYS FOR COLLINS & WARE,
INC.

CASE 10814: Application of Collins & Ware, Inc. for a high angle/horizontal directional drilling pilot project and special operating rules therefore, Lea County, New Mexico. Applicant in the above-styled cause, seeks to initiate a horizontal drilling project in the Devonian formation, Denton-Devonian Pool underlying the SW/4 SE/4 of Section 26, Township 14 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Applicant proposes to re-enter its S. & J. Operating T.D. Pope Well No. 14 which is at an orthodox surface location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 26, kick-off from vertical in a southeasterly direction commencing to build and angle at an appropriate rate to vertically and horizontally traverse the proposed producing area. Applicant further seeks the adoption of special operating provisions and rules within the project area including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 330 to any boundary of the proration unit and for a special project allowable. Said project is located approximately _____ miles _____ of _____, New Mexico.