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 NE/4 of Section 35, 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. 5 which is at an orthodox surface location 1980 feet from the North and East lines (Unit G) of Section 35, kick-off from vertical in a northeasterly 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 100 feet to any boundary of the proration unit. Said project is located approximately _____ miles ______ of _____, New Mexico.

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

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October 11, 1993

HAND-DELIVERED

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

16861

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 November 4, 1993, Examiner hearings.

Very truly yours,

WILLIAM F. CARR

WFC:mlh enclosures cc: C. M. Guerry 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

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 NE/4 of Section 35, 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. 5 from an orthodox surface location 1980 feet from the North and East lines of Section 35 by re-entering the wellbore, plugging back the well and then directionally drilling in a northeasterly direction to reach the Devonian formation at a depth of approximately 12010 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 NE/4 of Section 35.

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 1420 feet to 2540 feet from the North line and from 1420 feet to 2540 feet from the East line of Section 35 thereby requiring the horizontal portion of the wellbore be set back at least 100 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 November 4, 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: M

WILLIAM F. CARR Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421

ATTORNEYS FOR COLLINS & WARE, INC.

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