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October 26, 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

10868

Re: Application of Kinlaw Oil Corporation for a High Angle/Horizontal Drilling  
Pilot Project, Special Operating Rules Therefore and an Unorthodox Well  
Location, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Kinlaw Oil Corporation in the above-referenced case as well as a copy of a legal advertisement. Kinlaw Oil Corporation respectfully requests that this matter be placed on the docket for the November 18, 1993 Examiner hearings.

Very truly yours,

*Tanya Trujillo for*

WILLIAM F. CARR

WFC:mlh

Enclosures

cc: Mr. Mike Hill (w/enclosures)

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF KINLAW OIL CORPORATION  
FOR A HIGH ANGLE/HORIZONTAL  
DIRECTIONAL DRILLING PILOT PROJECT,  
SPECIAL OPERATING RULES THEREFORE  
AND AN UNORTHODOX WELL LOCATION,  
LEA COUNTY, NEW MEXICO.

CASE NO. 10868

**APPLICATION**

KINLAW OIL CORPORATION, through its undersigned attorneys, hereby makes application for approval of a high angle/horizontal directional drilling pilot project, special operating rules, and an unorthodox well location 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 2, Township 15 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
2. Applicant proposes to re-enter and horizontally drill its Mexico "F" No. 2 Well from a standard surface location 1,980 feet from the North and East lines of Section 2 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 12,200 feet and then drilling horizontally until approximately 650 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 2.

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 1,650 feet to 2,310 feet from the North line and from 1,650 feet to 2,310 feet from the East line of Section 2 thereby requiring the horizontal portion of the wellbore be set back at least 330 feet from the outer boundary of the non-standard unit.


5. Applicant also seeks an exception to the spacing and well location requirements of General Rule 104 for the Mexico "F" No. 2 Well.

6. 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 18, 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: 

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ATTORNEYS FOR KINLAW OIL  
CORPORATION

CASE 10868:

Application of Kinlaw Oil Corporation for a high angle/horizontal directional drilling pilot project, special operating rules therefore and an unorthodox well location, 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 2, Township 15 South, Range 37 East. Applicant proposes to re-enter its Mexico "F" No. 2 Well which is at a standard surface location 1,980 feet from the North and East lines (Unit G) of said Section 2, kick-off from vertical in a northeasterly direction commencing to build 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 feet to any boundary of the non-standard unit. Said project is located approximately 4.5 miles southeast of Prairieview, New Mexico.