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October 10, 1989

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HAND-DELIVERED

Mr. William J. LeMay
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

RECEIVED

OCT 10 1989

Re: Pacific Enterprises Oil Company (USA) OIL CONSERVATION DIVISION
for Unorthodox Gas Well Location,
South Dallas No. 2 Well
Ordovician Formation
Chaves County, New Mexico

Dear Mr. LeMay:

On behalf of Pacific Enterprises Oil Company (USA), please set the enclosed application for hearing at the next available examiner's docket now set for November 1, 1989.

We suggest the following to be used for the advertisement for this case:

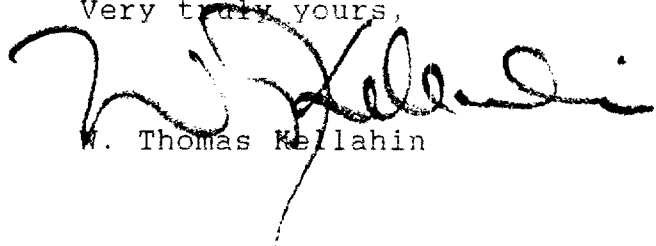
Application of Pacific Enterprises Oil Company (USA) for an unorthodox gas well location, Chaves County, New Mexico. Applicant in the above styled cause seeks approval for an unorthodox gas well location 660 feet from the North line and 1400 feet from the East line of Section 2, T10S, R26E, with the N/2 of said section being dedicated to its South Dallas No. 2 Well, forming a standard 320-acre gas spacing and proration unit for said pool. Said location is approximately . . . miles from

By copy of this letter and application sent certified mail, return-receipt requested, we are notifying each of them of the right to appear at the hearing either in support of or in opposition to this application.

Mr. William J. LeMay
October 10, 1989
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Should any such party desire more information about this matter or about the procedures to hearing this application, they may call the Division or the undersigned.

Very truly yours,



W. Thomas Kellahin

WTK/tic

cc: Mr. John E. Lodge
Pacific Enterprises Oil Company (USA)
P.O. Box 3083
Midland, Texas 79702-3083

"Certified-Return Receipt Requested"

All parties listed on Exhibit "A"

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF PACIFIC ENTERPRISES OIL COMPANY (USA) FOR
APPROVAL OF AN UNORTHODOX GAS
WELL LOCATION, CHAVES COUNTY,
NEW MEXICO.

CASE: 92, 4

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OIL CONSERVATION DIVISION

APPLICATION

Comes now PACIFIC ENTERPRISES OIL COMPANY (USA), by and through its attorneys, Kellahin, Kellahin & Aubrey, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox gas well location for a gas well to be drilled 660' FNL and 1400' FEL of Section 2, T10S, R26E, N.M.P.M., Chaves County, New Mexico, to be dedicated to a 320-acre spacing and proration unit consisting of the N/2 of said section, and in support thereof would show:

1. Applicant has the right to drill and develop the N/2 of Section 2, T10S, R26E, N.M.P.M., Chaves County, New Mexico, as shown on the plat attached hereto as Exhibit B.

2. Applicant proposes to drill its well through the Ordovician formation at an unorthodox gas well location 660' FNL and 1400' FEL of said Section 2 and to dedicate the N/2 of said section to the well.

3. The subject well requires an exception to the standard statewide rules for gas well locations in order to be at the optimum location to test the Ordovician formation in the N/2 of said section.

4. Applicant requests that this matter be set for hearing on the examiner's docket of November 1, 1989.

5. Notice to affected offset operators shown on Exhibit "A" is being sent as required by the rules of the Division.

WHEREFORE, applicant seeks approval of the application as requested.

Kellahin, Kellahin & Aubrey

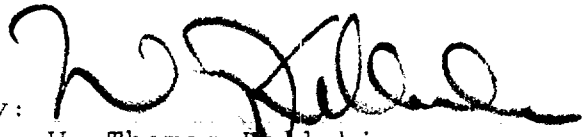
By: 
W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

EXHIBIT "A"

OFFSET OPERATORS

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

