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Attorneys at Law

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Santa Fé, New Mexico 87504-2265

FAX: 505/982-2047

October 10, 1989

HAND-DELIVERED

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

RECEIVED
OCT 10 1989
OIL CONSERVATION DIVISION

9807

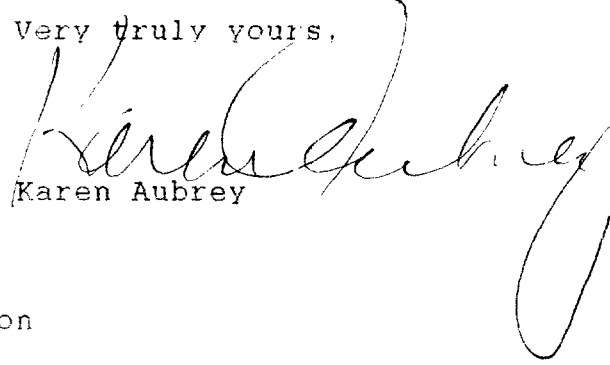
Re: Anadarko Petroleum Corporation
for Compulsory Pooling, Unorthodox
Surface and Subsurface Location
and Approval to Intentionally
Deviate Well Bore, Lea County,
New Mexico

Dear Mr. LeMay:

On behalf of Anadarko Petroleum Corporation, please set the enclosed application for hearing at the next available examiner's docket now set for November 1, 1989.

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


Karen Aubrey

WTK/tic

cc: Mr. Wayne Wheelis
Anadarko Petroleum Corporation
P.O. Box 2497
Midland, Texas 79701

"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 ANADARKO PETROLEUM CORPORATION
FOR APPROVAL FOR COMPULSORY POOLING,
DIRECTIONAL DRILLING AND APPROVAL OF
AN UNORTHODOX SURFACE AND SUBSURFACE
LOCATION, UNDESIGNATED STRAWN POOL,
LEA COUNTY, NEW MEXICO.

CASE NO

9807

FILED

OCT 16 1961

APPLICATION

OIL CONSERVATION DIVISION

Comes now ANADARKO PETROLEUM CORPORATION by and through its attorneys, Kellahin, Kellahin & Aubrey, and applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the surface to the base of the Undesignated Strawn formation, or 11,700 feet whichever is deeper, underlying the SE/4 NW/4 of Section 33, T16S, R38E, Lea County, New Mexico, and approval for directional drilling and an unorthodox surface and subsurface location in the Undesignated Strawn Pool.

1. Anadarko Petroleum Corporation is the working interest owner and operator and has the right to drill and develop the SE/2 NW/4 of Section 33, T16S, R38E, N.M.P.M., Lea County, New Mexico.

2. Applicant proposes to drill its J. Smith No. 1 Well commencing at an unorthodox surface location, because of topography, 2230 feet from the West line and 2440 feet from the North line and then to drill vertically to a true

vertical depth of approximately 4900 feet at which point the well will be directionally drilled in a northeasterly direction to the Strawn formation at a true vertical depth of approximately 11,700 feet and within a 125 foot radius of an unorthodox bottom hole location of 2550 feet from the West line and 2060 feet from the North line, all in Section 33, T16S, R38E, N.M.P.M., Lea County, New Mexico. The approximate total depth of the well will be about 11,700 feet.

3. Applicant has sought the voluntary agreement of the owners of the nonconsenting working interests for the formation of an 40-acre spacing and proration unit but has been unable to obtain voluntary agreement. The nonconsenting working interest owners and their percentage interests are:

1.	Amerada Hess	16.88%
	1201 Louisiana, Suite 700	
	Houston, Texas 77002-5681	

2.	Fernand Penoncourt	.0017
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3.	Paul Balband	.00125
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4. In accordance with Division Rule 111, applicant seeks approval to directionally drill the subject well based upon geologic and economic reasons.

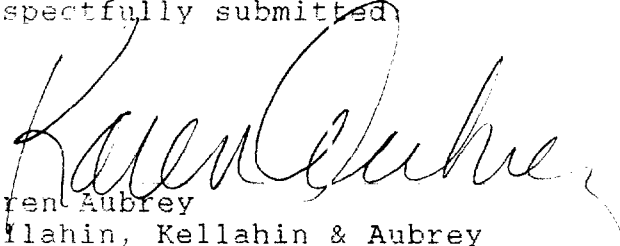
5. All offset operators and working interest owners have been provided with a copy of this application pursuant to Division Notice Rules.

6. Applicant requests that this application be set for hearing on November 1, 1989.

7. In order to obtain its just and equitable share of the hydrocarbons underlying the above tract, applicant needs an order pooling the mineral interests involved in order to protect applicant's correlative rights and prevent waste.

8. Wherefore, applicant prays that this application be set for hearing, that the Division enter its order pooling the mineral interests described herein, that applicant be named operator of the well, and that the order make provision for applicant to recover, out of production, its cost of drilling, completing and equipping the subject well, cost of operation, including costs of supervision, and a risk factor in the amount of 200%, for the drilling and completion of the well, that the intentional deviation of the wellbore be approved, and that the unorthodox surface and bottomhole locations be approved without penalty.

Respectfully submitted


By Karen Aubrey
Kellahin, Kellahin & Aubrey
P.O. Box 2265
Santa Fe, NM 87504

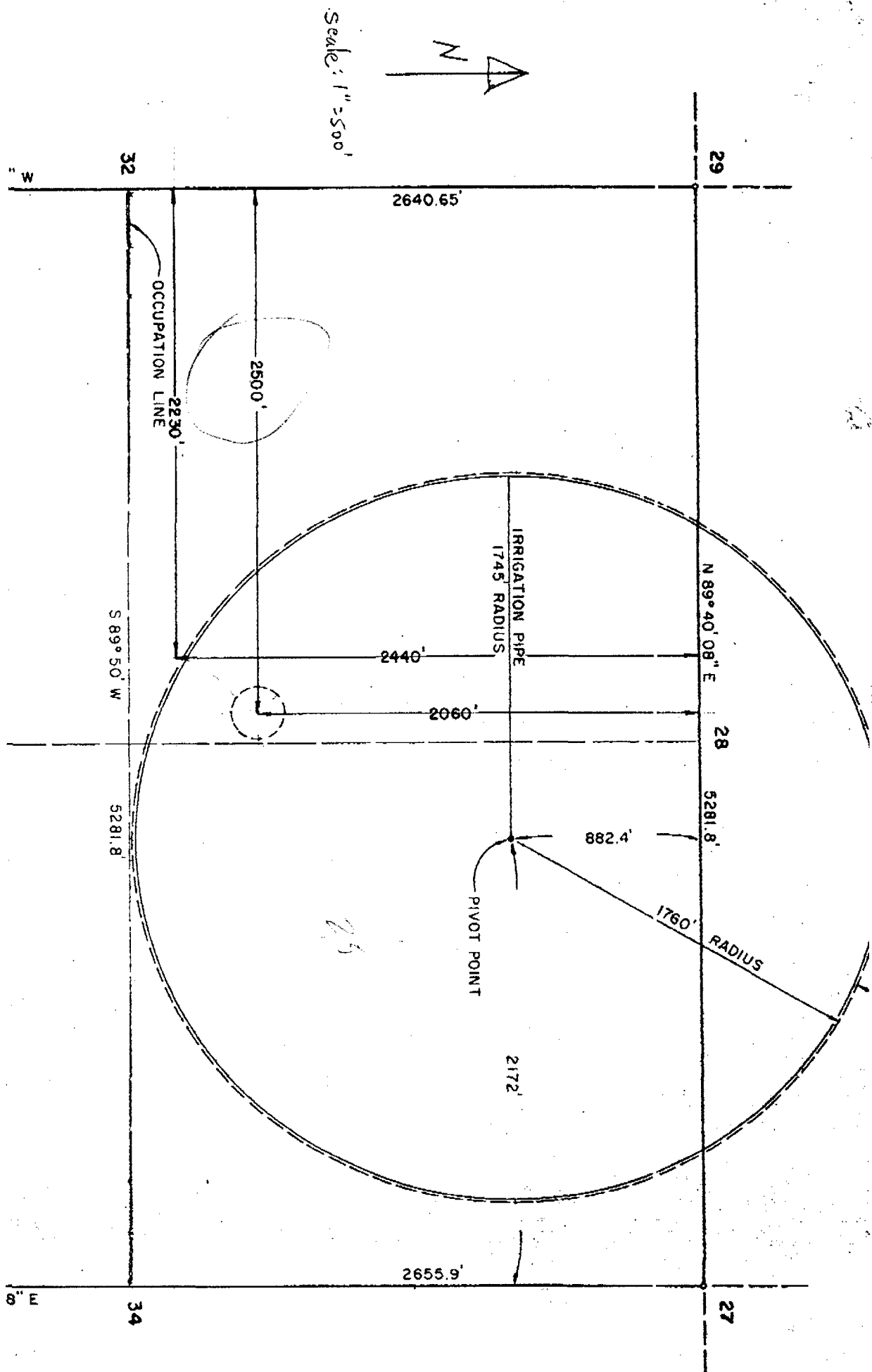


Exhibit A

** TOTAL

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

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CANDACE HAMANN CALLAHAN

JASON KELLAHIN
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TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

April 17, 1990

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APR 17 1990

OIL CONSERVATION DIVISION

Examiner Michael Stogner
Oil Conservation Division
State Land Office
Santa Fe, New Mexico 87501

HAND DELIVERED

Re: Case No. 9807
Order No. R-9046
Application of Anadarko Petroleum Corporation for
Compulsory Pooling, Unorthodox Surface and Bottomhole
Locations, and Directional Drilling

Request for Administrative Approval of Amendment to
Order No. R-9046

Dear Mr. Stogner:

In accordance with our telephone conversation of April 17, 1990, this letter constitutes a formal request on behalf of Anadarko Petroleum Corporation for administrative approval of a change in the unorthodox surface location granted after notice and hearing, under the above captioned case and order numbers.

The original unorthodox surface location was necessitated by the existence of a circular irrigation system. When Anadarko staked the location it was discovered that the requested location is only 36.6 feet from the end of the rattach of the circular sprinkler. We suspect that the surface owner may have added another length of pipe to the system.

We request that the Division approve an unorthodox surface location of up to 100 feet to the southwest of the present unorthodox location. The bottomhole location will remain the same.

The exhibits submitted by Anadarko at the hearing will support this request.

Michael Stogner
April 17, 1990
Page 2

Thank you for your assistance in this matter.

Sincerely,


Karen Aubrey

KA/tic

xc: George Buehler, Anadarko Petroleum Corporation
Jerry Sexton, Oil Conservation Division, Hobbs, New
Mexico

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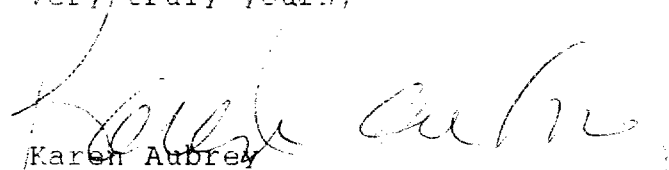
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Very/truly yours,


Karen Aubrey

WTK/tlc

cc: Mr. Wayne Wheelis
Anadarko Petroleum Corporation
P.O. Box 2497
Midland, Texas 79701

"Certified-Return Receipt Requested"

All parties listed on Exhibit "A"

EXHIBIT "A"

1. Paul Balband
Paris, France
2. Fernand Renoncourt
c/o The Imperial Trusts
Company of Canada
Toronto 2, Ontario, Canada
3. Wood Oil Company
320 South Boston, Suite 518
Tulsa, Oklahoma 74103
4. TXO Production Company
419 West Wall, Suite 900
Midland Texas 79701-4468
5. Amerada Hess Corporation
1201 Louisiana, Suite 700
Houston, Texas 77002-5681
6. Pacific Enterprises
Royalty Company
10 Desta Drive, Suite 500 West
Midland, Texas 79705
7. BP Exploration Inc.
5151 San Felipe
P.O. Box 4587
Houston, Texas 77210
8. Roy G. Barton, Jr., Trustee
of the Roy G. Barton Sr. and
Opal Barton Revocable Trust
P.O. Box 978
Hobbs, New Mexico 88240
9. Thomas L. Bailiff, et ux
Betty Pue
Box 1027
Childress, Texas 79201
10. Thomas L. Bailiff, as
Ind. Exec. u/w/o.
T. C. Bailiff and
Edith Bailiff, dec'd
Box 1027
Childress, Texas 79201
11. Douglas I. Cone
Box 6217
Lubbock, Texas 79413
12. Clifford Cone
Box 6010
Lubbock, Texas 79413
13. Kenneth G. Cone
Box 11310
Midland, Texas 79702
14. Randall F. Montgomery,
et ux Mildred Marie,
as Joint Tenants.
W/R/S
82 April Wind South
Montgomery, TX 77356
15. E. L. Latham Co.
P.O. Box 1392
Hobbs, New Mexico 88240
16. F. Farr Halliday, et ux
Marcella, as Joint
Tenants W/R/S
400 River Oaks Dr.
Des Moines, Iowa
17. Eloise F. Hirschfeld
Black
2606 Dengar
Midland, Texas 79705
18. Edward W. Reif,
et ux C. Jean
c/o Black, Sivalis &
Bryson
Box 1714
Oklahoma City, OK