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November 1, 1989

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### HAND-DELIVERED

OIL CONSERVATION DIVISION

Mr. William J. Lemay, Director New Mexico Oil Conservation Divison 310 Old Santa Fe Trail Santa Fe, New Mexico 87501

Case 9828

Dear Mr. Lemay:

On behalf of our client, Bill Fenn, Inc., we are hereby submitting their application, in triplicate, for amendment of Orders R-8951 and R-8951-A.

If you have any questions or need further information from us, please let us know.

Thank you for your consideration of this application.

Ernest L. Padilla

ELP:njp

Enclosures as stated

Bill Fenn, Inc. cc:

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# BEFORE THE OIL CONSERVATION DIVISION OF THE STATE OF NEW MEXICO

DEVE 3.13.

IN THE MATTER OF APPLICATION OF BILL FENN, INC. FOR AN AMENDMENT OF DIVISION ORDER NOS. R-8951 and R-8951-A

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CIL CONZERVATION LIFTCASE NO. 9828

### APPLICATION

## Applicant states:

- 1. By Orders R-8951 and R-8951-A the Division, subject to penalty, granted applicant's application for unorthodox well location at location of 825 FNL and 1650 FEL of Section 7, Township 22 South, Range 24 East, NMPM, Eddy County, New Mexico.
- 2. Since the issuance of Orders R-8951 and R-8951-A, Applicant, due to other drilling activities in the area, redefined and re-evaluated its geological position.
- 3. Applicant's new proposed drilling location as a result of such geological re-evaluation is at a location of 660 FNL and 660 FWL of said Section 7, which is not in conformity with the Indian Basin Upper Pennsylvanian Gas Pool Rules and the Indian Basin Morrow Gas Pool Rules.
- 4. Applicant proposes to change only those portions of Order Nos. R-8951 and R-8951-A which are affected by reason of the changed location.
- 5. Approval of this application would be in the best interests of conservation of oil and gas and would no impair the correlative rights of offsetting operators and owners.
- 6. Copies of Division Orders R-8951 and R-8951-A are attached hereto as Exhibit A.

WHEREFORE Applicant requests that after Notice and Hearing:

- 1. The Division approve the application in its entirety.
- 2. The Division grant such other and further relief as the Division deems proper.

Respectfully submitted,

PADILLA & SWYDER

Ernest L. Padilla

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Santa Fe, New Mexico 87504-2523

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ATTORNEY FOR APPLICANT