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December 1, 1989

HAND DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, NM 87503

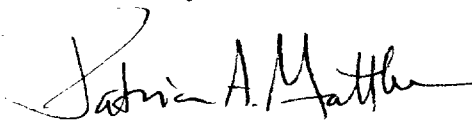
*Case No. 9842
m.s.*

Re: In the Matter of the Application of Tahoe Energy, Inc. for an Unorthodox Well
Location and Simultaneous Dedication of Two Existing Wells, Lea County, New
Mexico.

Dear Mr. LeMay:

Enclosed in triplicate is the above-referenced Application of Tahoe Energy, Inc.
Tahoe Energy respectfully requests that this matter be placed on the docket for the
Examiner hearings scheduled on December 13, 1989.

Yours truly,


Patricia A. Matthews

PAM:bh
enc.

OIL CONSERVATION DIVISION
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BEFORE THE

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OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF
TAHOE ENERGY, INC. FOR AN UNORTHODOX
WELL LOCATION AND SIMULTANEOUS DEDICATION
OF TWO EXISTING WELLS, LEA COUNTY,
NEW MEXICO.

APPLICATION

TAHOE ENERGY, INC., by and through its undersigned attorneys, hereby makes application to the Oil Conservation Division for approval of an unorthodox gas well location, and simultaneous dedication of two existing wells, and in support thereof would show the Division:

1. Tahoe is the operator the NW/4 and the N/2 of the SW/4 of Section 20, Township 24 South, Range 37 East, Lea County, New Mexico and proposes to drill the King Foundation #1 Well at a point 2310 feet from the north line and 330 feet from the west line, of said Section 20.

2. Tahoe seeks an exception to the well location requirements of the Special Pool Rules for the Jalmat Gas Pool to permit the drilling of the well at the above described unorthodox location to a depth sufficient to adequately test the Jalmat formation.

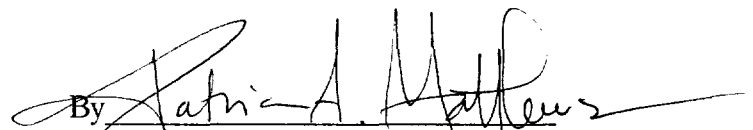
3. Tahoe seeks a simultaneous dedication of the King Foundation #1 Well, with the Harrison #3 and #5 wells which are currently in existence on the 240 acre track.

4. That approval of this application will afford applicant the opportunity to produce its just and equitable share of hydrocarbons underlying this spacing unit and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Tahoe prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on December 13, 1989, and that after notice and hearing as required by law, the Division enter its order granting this application and providing such other and further relief as is proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By 
Patricia A. Matthews
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SECTION 20

TOWNSHIP 24 South

RANGE 37 East

[illegible]