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OF COUNSEL

TELEPHONE (505) 982-4285
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October 23, 1990

HAND-DELIVERED

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

Re: Pennzoil Exploration and Production
Company's Application for an Unorthodox
Gas Location, Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Pennzoil Exploration and Production Company, please set the enclosed application for hearing at the next available examiner's docket now set for November 14, 1990.

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

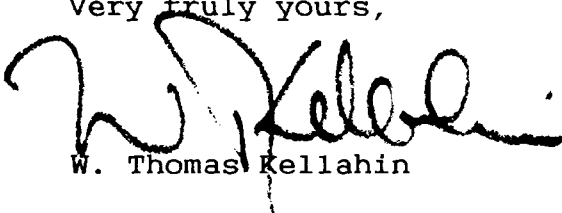
Application of Pennzoil Exploration and Production Company for an unorthodox gas well location, Lea County, New Mexico. Applicant in the above-styled cause seeks authority to drill its Mescalero "30" Federal No. 2 Well at an unorthodox gas well location 1980 feet FNL and 990 feet FWL of Section 30, T19S, R34E, N.M.P.M., Lea County, New Mexico and to dedicate the N/2 to said well. Said location is approximately _____ miles from _____.

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

Mr. William J. LeMay
October 23, 1990
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Should any party desire more information about this matter or about the procedures for hearing this application, they may call the Division or the undersigned.

Very truly yours,



W. Thomas Kellahin

WTK/tic
Enclosure

cc: Robert F. Blucher
Pennzoil Exploration and Production Company
P.O. Box 2967
Houston, Texas 77252

"Certified-Return Receipt Requested"

All parties listed on Exhibit "B"

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

IN THE MATTER OF THE APPLICATION
OF PENNZOIL EXPLORATION AND
PRODUCTION COMPANY FOR AN
UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

CASE NO.

10148

APPLICATION

COMES NOW PENNZOIL EXPLORATION AND PRODUCTION COMPANY, by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for approval to drill its Mescalero "30" Federal No. 2 Well at an unorthodox gas well location 1980 feet from the North line and 990 feet from the West line of Section 30, T19S, R34E, N.M.P.M., Lea County, New Mexico and to dedicate the N/2 of said Section 30 to the subject well for all 320 acre gas spacing pools including, but not limited to the Quail Ridge Morrow gas pool and in support thereof states:

1. Applicant is a working interest owner and the operator of the N/2 of Section 30, T19S, R34E.

2. As a result of geologic conditions and in order to obtain a drilling location for the N/2 of said Section the applicant seeks the subject unorthodox well location.

3. Mitchell Energy Corp. is the diagonally offsetting operator towards whom the well is located.

4. Chevron USA, Inc. and Unocal Oil Corporation are the direct offsetting operators towards whom the well is located.

5. Applicant proposes to dedicate the well to the N/2 of Section 30.

6. Attached as Exhibit "A" is a plat showing all of the acreage dedicated to the subject well and the surrounding acreage.

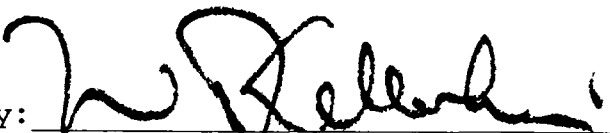
7. Attached as Exhibit "B" is a list of all offsetting owners and/or operators who are required by Division rules to receive notification of this application.

8. Pursuant to Division rules, a copy of this application was mailed by certified mail, return-receipt requested, to all parties listed on Exhibit "B".

WHEREFORE, Applicant requests that after notice and hearing the application be granted.

Respectfully submitted:

KELLAHIN, KELLAHIN & AUBREY

By: 
W. Thomas Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504

(505) 982-4285

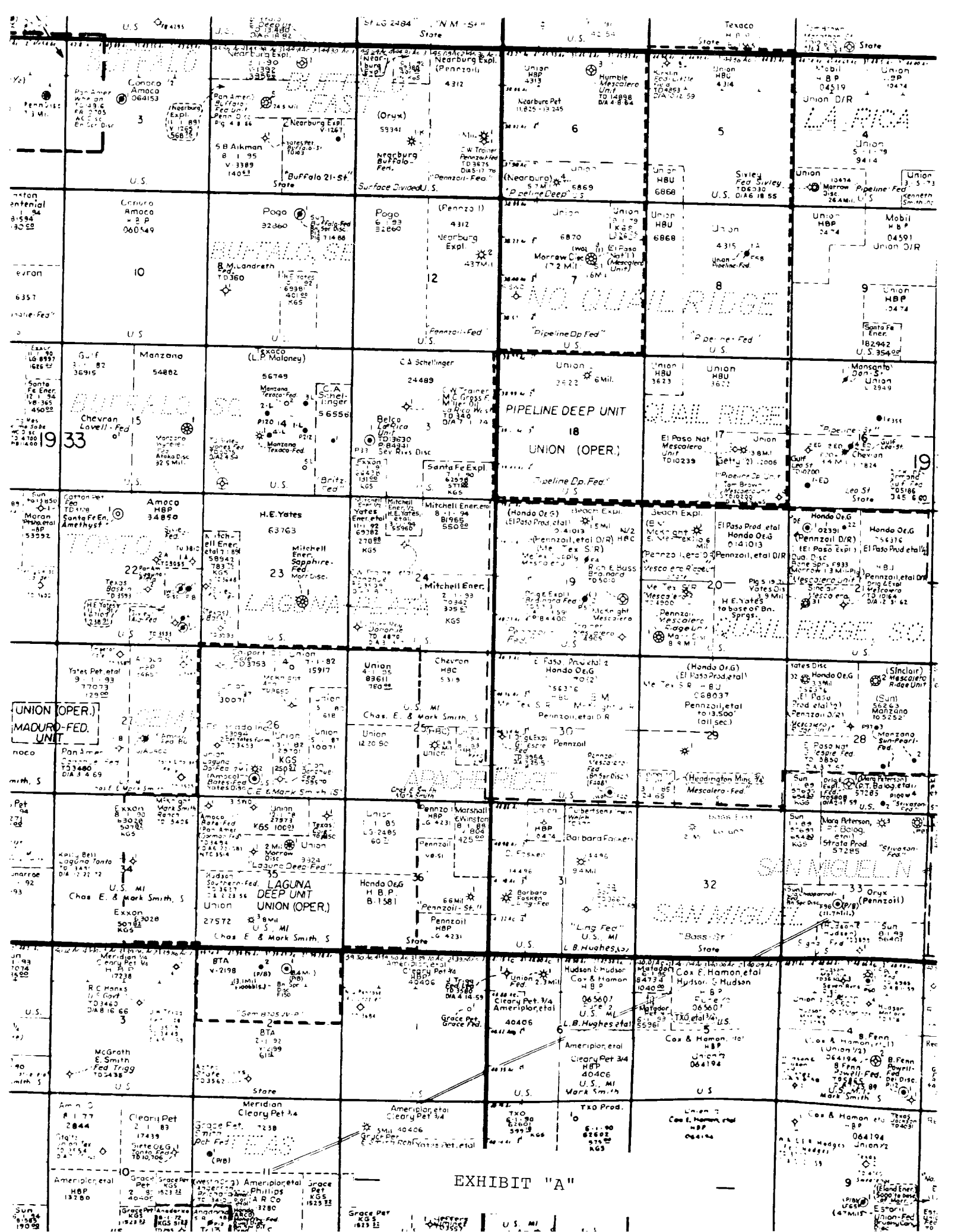


EXHIBIT "B"

Chevron USA, Inc.
P.O. Box 1150
Midland, Texas 79702

Unocal Oil Corporation
P.O. Box 3100
Midland, Texas 79702

Mitchell Energy Corp.
P.O. Box 4000
The Woodlands, Texas 77387