### KELLAHIN, KELLAHIN AND AUBREY

W. THOMAS KELLAHIN KAREN AUBREY CANDACE HAMANN CALLAHAN JASON KELLAHIN OF COUNSEL ATTORNEYS AT LAW EL PATIO BUILDING 117 NORTH GUADALUPE POST OFFICE BOX 2265 SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285 Telefax (505) 982-2047

October 23, 1990

### HAND-DELIVERED

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

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13148

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 Page 2

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, Thomas Rellahin

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.

#### 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 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 Keilahin

Post Office Box 2265 Santa Fe, New Mexico 87504

(505) 982-4285

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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