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December 22, 1986

HAND-DELIVERED

Mr. Victor T. Lyon
Acting Director
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Re: Pennzoil Company
Viersen Well #3
Commission Case 9003
Order R-8366

M.S.

Case 9067

Dear Mr. Lyon:

On behalf of Pennzoil Company, I respectfully request immediate approval from the Division to commence the drilling of the Viersen Well #3 pursuant to the Commission's Order R-8366, but subject to the following modification:

That the surface location be amended to 2080 feet from the East line and 150 feet from the South line; and

that upon completion, the subject well be assigned a temporary allowable pending formal amendment of the Commission order at the Examiner hearing to be held on January 21, 1987.

In support of this request I wish to inform you that subsequent to the November 20, 1986 hearing and in preparation for drilling the subject well, it was discovered that there is a gas pipeline located 1970 feet from the East Line, a distance of approximately 10 feet, from the location of the well as approved in the Commission order.

As you know, the current Shipp-Strawn Pool rules provide for wells to be located within 150 feet of the center of a quarter-quarter line. Accordingly, the requested change is still a standard location as

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to the West boundary of the tract and is no closer to the South boundary than already approved by the Commission order.

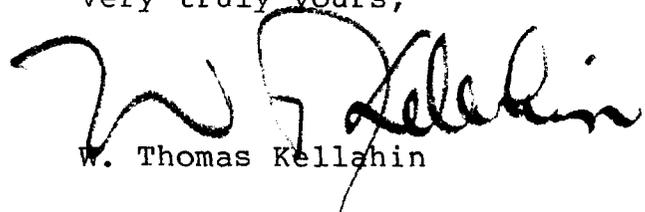
Your approval, as noted below, will authorize the drilling of the subject well at the requested amended surface location and will allow that well upon completion to receive a temporary allowable as penalized by Order R-8366 pending the hearing on January 21, 1987.

This letter constitutes our written application for hearing on January 21, 1987. We would request that the case be docketed and heard as follows:

Application of Pennzoil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant in the above styled case seeks to amend Commission Order R-8366 to change the surface location for its Viersen #3 Well to a point 2800 feet FEL and 150 feet FSL of Section 4, T17S, R37E, Lea County, New Mexico. Said application shall be approved in the absence of objection and the submittal of new evidence not introduced at the November 20, 1986 hearing in Case 9003.

By copy of this letter, we are notifying all parties that appeared at the November 20, 1986 hearing.

Very truly yours,



W. Thomas Kellahin

WTK:mh

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APPROVED:

VICTOR T. LYON
Acting Director

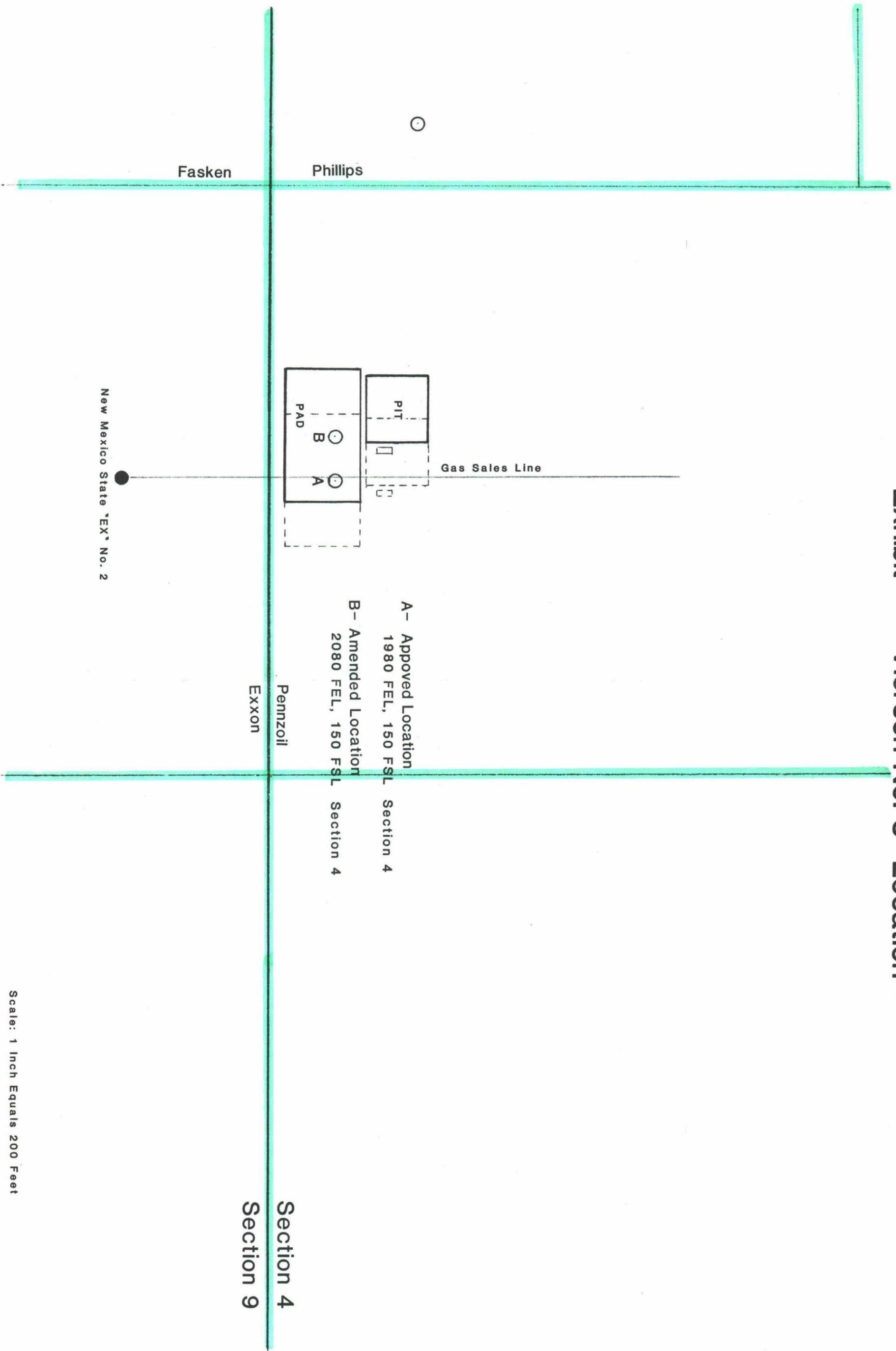
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Exhibit Viersen No. 3 Location



Scale: 1 Inch Equals 200 Feet