Set her hearing.

LAW OFFICES

LOSEE & CARSON, P. A.

A. J. LOSEE JOEL M. CARSON JAMES E. HAAS ERNEST L. CARROLL

300 AMERICAN HOME BUILDING P. O. DRAWER 239 ARTESIA, NEW MEXICO 88211-0239

746-3508 TELECOPY

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AREA CODE 505

27 January 1988

Case 9322

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

Dear Mr. LeMay:

Enclosed for filing, please find three copies of Application of Metex Pipe & Supply for an unorthodox oil well location for its State "P" No. 3 Well in Lea County, New Mexico.

We understand that this case has been set for hearing before an examiner on March 2, 1987.

Very truly yours

AJL:scp Enclosures

cc w/enclosure: Metex Pipe & Supply

CM-RRR

Marks and Garner Production Company

CM-RRR

BTA Oil Producers

BEFORE THE OIL CONSERVATION DIVISION OF THE STATE OF NEW MEXICO

OII CONSERVATION PIVISION

JAH 09 1

IN THE MATTER OF THE APPLICATION OF METEX PIPE & SUPPLY FOR AN UNORTHODOX OIL WELL LOCATION, LEA COUNTY, NEW MEXICO

case no. 9322

APPLICATION

COMES NOW METEX PIPE & SUPPLY, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the Yates-Seven Rivers formation underlying:

Township 21 South, Range 34 East, N.M.P.M.

Section 24: NW/4 NE/4

and proposes to drill its State "P" No. 3 Well at a point located 1,520 feet from the east line and 100 feet from the north line of said Section 24.

- 2. The applicant seeks an exception to the well location requirements of Rule 104-C.I of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the Yates-Seven Rivers formation.
- 3. A standard 40-acre proration unit comprising the NW/4 NE/4 of said Section 24 should be dedicated to such well for the production of oil.

4. There is attached hereto and by reference made a part hereof a plat showing the ownership of all leases offsetting the said spacing unit for which the unorthodox location is sought and also all wells completed thereon. The undersigned attorney certifies that copies of this application have this day been sent by certified mail, postage prepaid, to all operators of spacing units offsetting the unit for which the unorthodox location is sought, addressed as follows:

Marks and Garner Production Company P. O. Box 655 Lovington, New Mexico 88260

BTA Oil Producers 104 South Pecos Midland, Texas 79701-9988

5. The approval of this application will afford applicant the opportunity to produce its just and equitable share of oil, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

- A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.
- B. That upon hearing the Division enter its order granting applicant permission to drill a well 1,520 feet from the

east line and 100 feet from the north line of said Section 24, and to dedicate the NW/4 NE/4 of Section 24, which is reasonably presumed to be productive of oil from the Yates-Seven Rivers formation.

C. And for such other relief as may be just in the premises.

A. A. Losee

LOSEE & CARSON, P.A. P. O. Drawer 239 Artesia, New Mexico 88211-0239

Attorneys for Applicant

