

KELLAHIN, KELLAHIN and AUBREY

Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

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Post Office Box 2265

Santa Fé, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

Jason Kellahin
Of Counsel

Case 9461

July 25, 1988

RECEIVED

JUL 25 1988

OIL CONSERVATION DIVISION

Mr. William J. LeMay
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: BHP Petroleum Company, Inc.
for Non-standard Proration &
Spacing Units and for
an Unorthodox Gas Well Location,
Chaves County, New Mexico

Dear Mr. LeMay:

On behalf of BHP Petroleum Company, Inc. please set the enclosed application for hearing on the next available examiner's docket now set for August 17, 1988.

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

Application of BHP Petroleum Company, Inc. for non-standard proration and spacing units, and an unorthodox well location, Chaves County, New Mexico. Applicant in the above styled cause seeks approval for an unorthodox gas well location 1650 feet from the South line and 1650 feet from the East line of Section 5, T11S, R37E, with all of said section being dedicated to its Ervin Ranch State #1 Well, forming a non-standard 348 acre gas spacing and proration unit for said pool or a 47.06 acre non-standard oil spacing and proration unit. Said location is approximately _____ miles from _____.

KELLAHIN, KELLAHIN & AUBREY

Mr. William J. LeMay
July 25, 1988
Page 2

By copy of this letter and application sent certified mail return-receipt requested to all offset operators, we are notifying each of them of the right to appear at the hearing either in support or in opposition to this application. Should any such 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:ca

cc: Randall Davis
BHP Petroleum Company, Inc.
6 Desta Drive, Suite 3200
Midland, Texas 79705-5510

"Certified-Return Receipt Requested"

All Interested Parties in Application

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

RECEIVED

JUL 25 1963

IN THE MATTER OF THE APPLICATION
BHP PETROLEUM COMPANY, INC. FOR
APPROVAL OF A NON-STANDARD PRORATION
UNITS AND AN UNORTHODOX GAS
WELL LOCATION, CHAVES COUNTY,
NEW MEXICO.

OIL CONSERVATION DIVISION

CASE: 9461

A P P L I C A T I O N

Comes now BHP PETROLEUM COMPANY, INC., by and through its attorneys, Kellahin, Kellahin & Aubrey, and applies to the New Mexico Oil Conservation Division for approval of a non-standard proration and spacing unit and for an unorthodox gas well location for a well to be drilled at an unorthodox location 1650 feet from the South line and 1650 feet from the East line of Section 5, T11S, R37E, Chaves County, New Mexico, to be dedicated to a 348-acre non-standard gas spacing and proration unit consisting of all of said section, or in the alternative to be dedicated to a 47.06 acre non-standard oil spacing and proration unit consisting of Lot 2 (NW/4SE/4) of Section 5, and in support thereof would show:

1. Applicant has the right to drill and develop all of Section 5, T11S, R37E, Chaves County, New Mexico.

2. Applicant proposes to drill its well at a location 1650 feet FSL and 1650 feet FEL of said Section 5 and to dedicate all of said section to the well if it is a gas well and lot 2 of Section 5 to the well if it is an oil well.

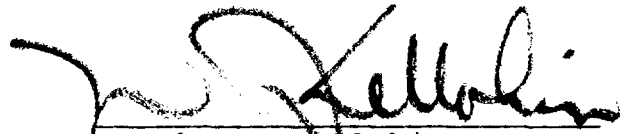
3. The location and unit size exceptions are necessitated because of an irregular sized governmental section along the northern boundary of this township.

4. Applicant requests that this matter be set for hearing on the Examiner's docket of August 17, 1988.

5. Notice to affected offset operators shown on Exhibit "A" is being sent as required by the rules of the Division.

WHEREFORE, applicant seeks approval of the application as requested.

Kellahin, Kellahin & Aubrey

A handwritten signature in dark ink, appearing to read 'W. Thomas Kellahin', is written over a horizontal line.

W. Thomas Kellahin, Esq.

P. O. Box 2265

Santa Fe, New Mexico 87504

EXHIBIT "A"

Samedan Oil corporation
10 Desta Drive, Suite 240
Midland, Texas 79705

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Conoco Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Union Texas Petroleum
4000 N. Big Springs, Suite 500
Midland, Texas 79705

Southern Union Exploration Company
1800 Renaissance Tower
1201 Elm Street
Dallas, Texas 75270-2090

Liberty Petroleum
Oakwood Resources
P. O. Box 740516
Dallas, Texas 75374

Inexco Oil Company
RepublicBank Center, Suite 2100
700 Louisiana Street
Houston, Texas 77002-2702

Quanico Oil & Gas Inc.
P. O. Box 1714
El Dorado, Arkansas 71730

Santa Fe Exploration Company
P. O. Box 1136
Roswell, New Mexico 88202

William W. Cline
P. O. Box 1746
Amarillo, Texas 79105

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

Exhibit "A" Continued:

G. D. Williamson
P. O. Box 2206
Roswell, New Mexico 88201

Yates Drilling Company
Myco Industries, Inc.
Abo Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

KELLAHIN, KELLAHIN and AUBREY

Attorneys at Law

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Karen Aubrey

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Santa Fe, New Mexico 87504-2265

Telephone 982-4285

RECEIVED Area Code 505

Jason Kellahin
Of Counsel

July 28, 1988

JUL 29 1988

OIL CONSERVATION DIVISION

Mr. William J. LeMay
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: First Amended Application of
BHP Petroleum Company, Inc.
for Non-standard Proration &
Spacing Units and for
an Unorthodox Gas Well Location,
Chaves County, New Mexico

Case 9461

Dear Mr. LeMay:

On July 25, 1988, on behalf of BHP Petroleum Company we filed with your office an application for a non-standard proration and spacing unit and unorthodox gas well location. In reviewing that application we incorrectly showed the range to be 37 East when in fact, it is Range 27 East.

The newspaper publication for the August 17, 1988 advertisement has been corrected. By copy of this letter we are notifying all interested parties of the correction.

The correct advertisement and notice should now read:

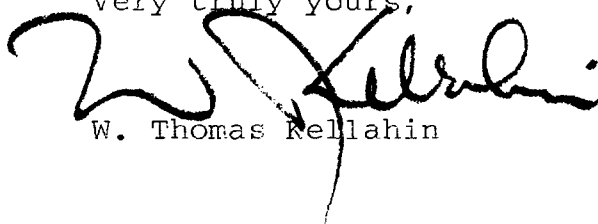
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KELLAHIN, KELLAHIN & AUBREY

Mr. William J. LeMay
July 29, 1988
Page 2

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Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', is written over the typed name. The signature is stylized with a large, sweeping 'W' and a cursive 'Kellahin'.

W. Thomas Kellahin

WTK:ca

cc: Randall Davis
BHP Petroleum Company, Inc.
6 Desta Drive, Suite 3200
Midland, Texas 79705-5510

"Certified-Return Receipt Requested"

All Interested Parties in Application

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
BHP PETROLEUM COMPANY, INC. FOR
APPROVAL OF A NON-STANDARD PRORATION
UNITS AND AN UNORTHODOX GAS
WELL LOCATION, CHAVES COUNTY,
NEW MEXICO.

RECEIVED
JUL 25 1983
OIL CONSERVATION DIVISION
CASE: 9461

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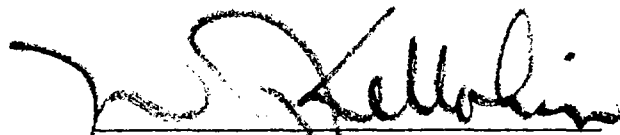
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1800 Renaissance Tower
1201 Elm Street
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Dallas, Texas 75374

Inexco Oil Company
RepublicBank Center, Suite 2100
700 Louisiana Street
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