



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

August 22, 1984

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GOVERNOR

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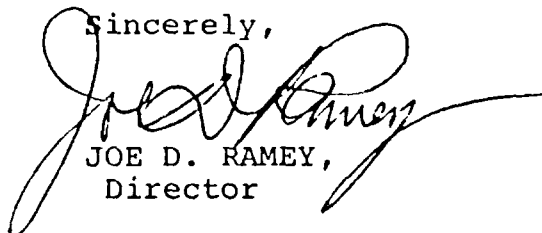
Administrative Order NSL-1859

Gentlemen:

Reference is made to your application on behalf of Florida Exploration Company for a non-standard location for their Chama Federal Com Well No. 1 to be drilled 780 feet from the North line and 1350 feet from the East line of Section 11, Township 22 South, Range 24 East, NMPM, McKittrick Hills (Und.) Gas Pool, Eddy County, New Mexico. The N/2 of said Section 11 is to be dedicated to the well.

By authority granted me under the provisions of Rule 104 FI, the above-described unorthodox location is hereby approved.

Sincerely,

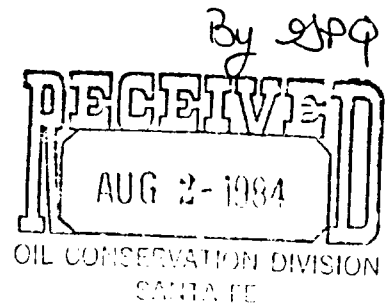

JOE D. RAMEY,
Director

JDR/RLS/dr

cc: Oil Conservation Division - Artesia
Oil & Gas Engineering Committee - Hobbs
Bureau of Land Management - Artesia

BEFORE EXAMINER STOGNER OIL CONSERVATION DIVISION <u>Nothing</u> EXHIBIT NO. <u>3</u> CASE NO. <u>1407</u>

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



IN THE MATTER OF THE APPLICATION
OF FLORIDA EXPLORATION COMPANY
FOR AN UNORTHODOX WELL LOCATION
EDDY COUNTY, NEW MEXICO

CASE NO. _____

NSL-1859

RULE 104 FI

Release Aug. 22/98

APPLICATION

FEDERAL LEASE

Florida Exploration Company, 3151 South Vaughn Way, Suite 200, Aurora, Colorado 80014, hereby makes application for administrative approval by the Director of the Division of an unorthodox gas well location and in support thereof shows:

1. That applicant, Florida Exploration Company, for topographic reasons, seeks approval of an unorthodox gas well location for its Chama Federal Com No. 1 to be drilled 780 feet from the North line and 1350 feet from the East line of Section 11, Township 22 South, Range 24 East, N.M.P.M., to test the upper and lower Penn (Cisco-Canyon) formation or 8900 feet, McKittrick Hills (Und.) ^{gas pool} Eddy County, New Mexico.

2. That applicant proposes to dedicate the North half of Section 11, Township 22 South, Range 24 East to said well.

3. That the location staked for this well was selected in conjunction with BLM representatives, experienced registered surveyors and dirt contractors as an alternative to an orthodox location and as near to the center of the Northeast quarter of said Section 11 as is topographically practical. Slopes in the area of an orthodox location in the Northeast quarter are in the 20 degree to 30 degree range which would require considerable

amounts of cut and fill for an access road and a drill pad. This alternative location is situated on a small plateau which should significantly reduce surface disturbance and the need for extensive rehabilitation.

4. That a plat showing the topographic conditions as set forth hereinabove is attached as Exhibit A.

5. A plat showing the proration or spacing units offsetting the unit for the unorthodox location and all wells completed thereon is attached hereto as Exhibit B. A well location and acreage dedication plat is attached as Exhibit C.

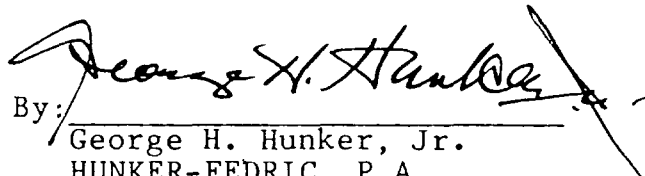
6. Copies of this Application are being mailed by Certified Mail to all of the owners of oil and gas leases covering proration units offsetting the North half of Section 11. A list of the names and addresses of such owners to whom notice is being mailed as of the date of this Application is attached as Exhibit D.

7. That the approval of the subject application will afford applicant an opportunity to produce its just and equitable share of the gas and oil in the McKittrick Hills (Und.) Gas Pool, will prevent the 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.

Applicant requests that this Application be processed immediately as to form and content and that unless an earlier approval is permitted under Division Rules, that this Application for an unorthodox gas well location be approved within 20 days after the Director has received the application.

DATED at Roswell, New Mexico this 31st day of July,
1984.

Respectfully submitted,
FLORIDA EXPLORATION CO.

By: 
George H. Hunker, Jr.
HUNKER-FEDRIC, P.A.
Attorneys for Applicant
P.O. Box 1837
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