

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

IN THE MATTER OF THE APPLICATION
OF TIPPERARY OIL & GAS CORPORATION FOR
APPROVAL FOR DIRECTIONAL DRILLING
AND APPROVAL OF AN UNORTHODOX
SUBSURFACE LOCATION, NORTHEAST
LOVINGTON PENN POOL, LEA COUNTY,
NEW MEXICO.

A P P L I C A T I O N

Case 9410

Comes now TIPPERARY OIL & GAS CORPORATION, by and through its attorneys, Kellahin, Kellahin & Aubrey, and applies to the New Mexico Oil Conservation Division for approval for directional drilling and an unorthodox subsurface location in the Northeast Lovington Penn Pool.

1. The working interest ownership in the SE/4 of Section 30, T16S, R37E, NMPM, Lea County, New Mexico consists of Tipperary Oil & Gas Corporation with 56 1/4% interest, BHP Petroleum Inc. with 25% interest and Spectrum 7 Energy Corporation with 18 3/4% interest.

2. Applicant is the operator of the SE/4 of said section as a result of an operating agreement entered into by all of the working interest owners.

3. Applicant with the consent of all working interest owners drilled the Monsanto 30 State #2 Well

to a depth of 11,300 feet with a N/2SE/4 proration unit and at a surface location 1830 feet from the South line and 660 feet from the East line of said Section 30 and was unable to obtain commercial production in the Northeast Lovington Penn Pool.

4. Applicant has plugged back its Monsanto 30 State #2 well to 8,230 feet at which point applicant then commenced to directionally drill the subject well to penetrate the top of the pool at a true vertical depth of approximately 11,050 feet to be within 150 foot radius of an unorthodox subsurface target which will be 1200 feet from the South line and 660 feet from the East line of said section. The approximate total depth of the well will be about 11,300 feet.

5. The applicant proposes that the proration and spacing unit for the subject well be changed from the N/2NE/4 of said Section 30 to the E/2SE/4 of Section 30.

6. Applicant's well will be an attempt to obtain production from the Northeast Lovington Penn Pool which requires wells to locate within 150 feet of the center of a quarter-quarter section.

7. The subject well at its bottom hole location will be no closer than 510 feet from the East, South or West line of subject spacing unit but will be unorthodox to the interior 40 acre line within the subject spacing unit.

8. Applicant is in the process of directional drilling the subject well based upon prior verbal approval by the Division.

9. In accordance with Division Rule 111, applicant seeks approval to directional drill the subject well based upon geologic and economic reasons.

10. All offset operators are listed on Exhibit A and pursuant to Division Notice Rules have been provided with a copy of this application.

11. Applicant requests that this application be set for hearing on June 8, 1988.

Wherefore, applicant requests that after notice and hearing the application be approved as requested.

Respectfully submitted:

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

W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504

Exhibit "A"

BHP Petroleum Company Inc.
#6 Desta Drive, Suite 3200
Midland, Texas 79705
Attn: Mr. Randall Davis

Moncrief Oil Interests
400 Metro Building
Midland, Texas 79701
Attn: Mr. Dewey Thornton

Harvey E. Yates Company
#1 Sunwest Center
Fifth and Main
Roswell, New Mexico 88201

Texaco, Inc.
500 N. Loraine
P. O. Box 3109
Midland, Texas 79702
Attn: Mr. J. W. Cox (Engr. Mgr.)

James Bruce, Esq.
Attorney for Spectrum 7 Energy Corporation,
Spectrum 7 1983-A Drilling Partnership, and
Spectrum 7 1983-B Drilling Partnership
P. O. Box 2068
Santa Fe, New Mexico 87504

Map of Texas showing oil and gas fields, company names, and production data. Includes labels for major basins like the Permian, Marathon, and Midland. The map is divided into sections by county lines, with various oil fields and company names labeled throughout. Production data is provided for many fields, including acreage, well counts, and production volumes. The map also shows major highways and cities across the state.