

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

JUL - 8 1994

IN THE MATTER OF THE APPLICATION OF  
PRIMERO OPERATING, INC. FOR APPROVAL  
OF AN UNORTHODOX OIL WELL LOCATION,  
CHAVES COUNTY, NEW MEXICO

CASE: \_\_\_\_\_

**APPLICATION**

Comes now PRIMERO OPERATING, INC., by and through its attorneys, KELLAHIN and KELLAHIN, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox oil well location for its Hi-Way State Well No. 1 which currently is being drilled at an unorthodox oil well location 2417 feet FSL and 2245 feet FEL (Unit J) Section 36 Township 10 South, Range 27 East, NMPM, Chaves County, New Mexico for possible production from the Devonian formation and to be dedicated to a standard 40 acre oil spacing unit consisting of the NW/4SE/4 of said Section 36.

In support thereof, Applicant states:

1. Applicant, Primero Operating, Inc. has 100% of the working interest in all of Section 36, T10S, R27E, N.M.P.M, Chaves County, New Mexico which constitutes a single State of New Mexico Oil & Gas Lease.
2. Due to the July 1, 1994 expiration of this lease, Primero Operating Inc. has commenced drilling of its Hi-Way State Well No. 1 at an unorthodox oil well location for possible production from the Devonian formation 2417 feet FSL and 2245 feet FEL (Unit J) Section 36,
3. It is crucial to locate any Devonian test on the absolute highest point on structure.