Mr. Phil McGrath
U.S. Geological Survey
Farmington, New Mexico

Dear Sir:

Enclosed is an application to drill the Navajo Indian 8-H well located 2310' from the North line and 330' from the East line, Section 14 T15N R10W N.M.P.M. McKinley County, New Mexico.

The Walker Dome Structure is a basinward plunging anticlinal nose closed on the south flank by a large normal fault which is upthrown basinward. The structure is further complicated by numerous small normal faults whose throw approximates the thickness of the reservoir sand. In order to possibly have a commercial operation on the structure and to economically prove and deplete the reservoir an application has been made to the New Mexico Oil Conservation Commission for 10 acre spacing for the "San Mateo Sand" reservoir. This reservoir is encountered at a depth of approximately 950' in the semi-proved producing area. The pumping potential of the San Mateo Sand wells in the area will approximate 10 barrels per day.

The applied for location is a regular 10 acre location. However, until such time as approval is granted for 10 acre spacing, the SE/4 of the NE/4 of Sec. 14 T15N R10W is being dedicated to this well.

Yours very truly,

D.M. Ferebee

Geologist for

Walker Dome Oil Co.

DM Fereber

cc: Emery C. Arnold
N.M. Oil Conservation Comm.
Aztec, N.M.

R.L. Webb
P.O. Box 106
Prescott, Arizona

