

December 10, 1956



New Mexico Oil Conservation
Commission
Post Office Box 871
Santa Fe, New Mexico

Re: CUBA MESA AREA
Sandoval County, New Mexico

Attention: Mr. Porter

Gentlemen:

Sun Oil Company has immediate plans for the commencement of a test well to be located in the NW $\frac{1}{4}$ of Section 23, Twp. 21 North, Rgs. 2 West, Sandoval County, New Mexico, in accordance with a farmout arrangement from Lloyd H. Smith, Inc., of Houston, Texas, who controls the block of leases upon which the well is to be drilled.

The staking of a location in Sandoval County in the said NW $\frac{1}{4}$ of Section 23 has been made extremely difficult in view of unfavorable terrain and topographical conditions which would require the spending of exorbitant amounts in order to comply with the provisions of Rule 104 (b), Paragraph 2, of the Rules and Regulations of the New Mexico Oil Conservation Commission. You will note from the attached sketch that due to the presence of a cliff and a mesa, along with heavy timber, that conformity with the normal requirements of the above mentioned Rule becomes extremely burdensome and expensive.

In view of the foregoing, we respectfully request the granting of an exception by the Secretary of the Commission to our compliance with Rule 104 (b), Paragraph 2, in regard to the location of the aforementioned well. Such requested location to be : 850 feet north and 225 feet east of the southwest corner of the northwest quarter of Section 23.

This will advise you that the ownership of all oil and gas leases within a radius of 660 feet of the proposed location is common with the ownership of the oil and gas leases under the proposed location, except as to the NE $\frac{1}{4}$ of Section 22, Twp. 21 North, Range 2 West, in which Sun Oil Company has acquired a full interest from Howard Charles. In view of the ownership which this Company will acquire in accordance with the drilling of a test well under the Farmout from the lease owners of the drillsite tract and adjoining block of acreage, coupled with our full ownership of the leasehold on said NE $\frac{1}{4}$ of Section 22, it is our impression that no further consents are necessary.



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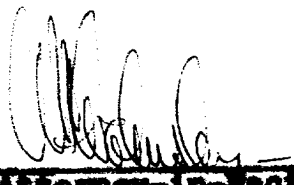
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We have obtained the services of a drilling contractor and we would be grateful for your earliest favorable consideration of this matter.

Kindly call the undersigned collect in Denver at AMherst 6-2181 in the event we may be of any assistance.

Very truly yours,

SUN OIL COMPANY

By:  Attorney-in-fact *ref*

cc: -New Mexico Oil Conservation
Commission, District XII
120 E. Chaco St.
Aztec, New Mexico
-P.T. McGrath
U.S.G.S.,
Farmington, New Mexico