

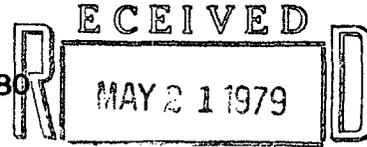


ENERGY, INC.

2001 Bryan Tower, Suite 2680
Dallas, Texas 75201

(214) 651-0311

May 16, 1979



OIL CONSERVATION DIVISION
SANTA FE

*NSL - 1041
Tom Tom Pennsylvanian Gas Pool
Rule 104 F
6-10-79*

Mr. Joe D. Ramey
Secretary - Director
New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. R. L. Stamets

Re: Non-Standard Gas Well Location
Section 1, T8S, R31E 660 N&W
Chaves County, New Mexico
Union Federal Well #1

N/2 Dedicated

*Well drilled
to Devonian*

Gentlemen:

Holly Energy, Inc. seeks administrative approval of an unorthodox gas well location under the provisions of Paragraph F, Rule 104 of the New Mexico Conservation Commission Rules and Regulations dated January 1, 1976, based on the recompletion of a well previously drilled to another horizon.

The well was drilled in September, 1975, as a proposed oil well in the 9000' Cisco formation. Completion was as a single gas well in the Atoka formation and on September 10, 1976, the well was placed in the Tom-Tom Pennsylvanian (Gas) Pool. A pipeline connection has been secured and the well is ready to be placed on production.

The well was originally drilled as an orthodox location, being 660' from the boundaries of the 40-acre drilling tract. Completion as a gas well in the Pennsylvanian formation, however, requires that a well be not closer than 1320 feet from the nearest end boundary of the 320-acre drilling tract. Holly is therefore requesting administrative approval of the unorthodox location. The 320-acre tract assigned to this well is the north half of Section 1, T8S, R31E.

An area plat is attached which shows lease ownership, operator and all wells on each lease offsetting the subject proration unit. All operators of proration or spacing units offsetting the subject proration unit are being notified of Holly's application by registered mail. Operators are requested to indicate their waiver of objection directly to the Commission and means is provided for them to do so.

Yours truly,

A handwritten signature in cursive script that reads "Edward M. Boatman".

E. M. Boatman
Chief Reservoir & Evaluation Engineer

EMB/dm

Attachment

Union Oil Company of California
P.O. Box 3100
Midland, Texas 79701

Sundance Oil Company
1776 Lincoln Street
Denver, Colorado 80203

The Wiser Oil Company
P.O. Box 192
Sisterville, West Virginia 26175

Wilson Oil Company
P.O. Box 1297
Santa Fe, New Mexico 87501

Amoco Production Company
Petroleum Center Building
Farmington, New Mexico 87401

Please sign the waiver below and send one copy to the Commission and one to Holly in the envelopes provided. The third copy is for your files.

WAIVER OF OBJECTION

Nolan L. Ashburn President
Name and Title

Sundance Oil Co
Company Name

May 29, 1999
Date

Union Oil Company of California
P.O. Box 3100
Midland, Texas 79701

Sundance Oil Company
1776 Lincoln Street
Denver, Colorado 80203

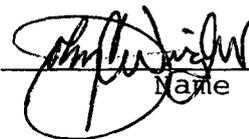
The Wiser Oil Company
P.O. Box 192
Sisterville, West Virginia 26175

Wilson Oil Company
P.O. Box 1297
Santa Fe, New Mexico 87501

Amoco Production Company
Petroleum Center Building
Farmington, New Mexico 87401

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WAIVER OF OBJECTION

 President
Name and Title

The Wiser Oil Company
Company Name

May 21, 1979
Date

Union Oil Company of California
P.O. Box 3100
Midland, Texas 79701

Sundance Oil Company
1776 Lincoln Street
Denver, Colorado 80203

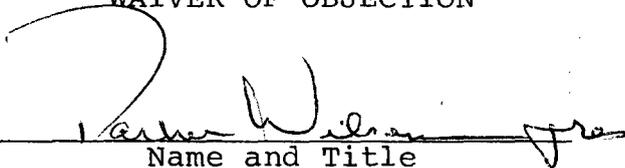
The Wiser Oil Company
P.O. Box 192
Sisterville, West Virginia 26175

Wilson Oil Company
P.O. Box 1297
Santa Fe, New Mexico 87501

Amoco Production Company
Petroleum Center Building
Farmington, New Mexico 87401

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WAIVER OF OBJECTION


Name and Title

Wilson Oil Co
Company Name

5/22/79
Date

Union Oil Company of California
P.O. Box 3100
Midland, Texas 79701

Sundance Oil Company
1776 Lincoln Street
Denver, Colorado 80203

The Wiser Oil Company
P.O. Box 192
Sisterville, West Virginia 26175

Wilson Oil Company
P.O. Box 1297
Santa Fe, New Mexico 87501

Amoco Production Company
Petroleum Center Building
Farmington, New Mexico 87401

Please sign the waiver below and send one copy to the Commission and one to Holly in the envelopes provided. The third copy is for your files.

WAIVER OF OBJECTION

A. Henson District Operations Mgr.
Name and Title

UNION OIL COMPANY OF CALIFORNIA
Company Name

6-1-79
Date

NSL-1041



RECEIVED
JUN 20 1979
Amoco Production Company
Houston Region
800 Jefferson Building
Post Office Box 3092
Houston, Texas 77001
OIL CONSERVATION DIVISION
SANTA FE

J. R. Barnett
Regional Engineering
Manager

June 15, 1979

File: JCA 986.51
NM-3776

Re: Non Standard Gas Well Location
Section 1, T8S, R31E
Chaves County, New Mexico
Union Federal Well No. 1

Mr. Joe D. Ramey
Secretary - Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: R. L. Stamets

Gentlemen:

Holly Energy, Inc. seeks administrative approval of an unorthodox gas well location for their Union Federal Well No. 1 located 660' from the boundaries of the 40-acre drilling tract, Section 1, T-8-S, R-31-E, Chaves County, New Mexico. Approval of the unorthodox location is necessary since completion in the Pennsylvania Formation requires that a well be not closer than 1320' from the nearest end boundary of the drilling tract.

As an offset operator, Amoco Production Company has no objections to this unorthodox drilling location and hereby waives notice and hearing.

Yours very truly,

J. R. Barnett
mlc

MLC/cf
329/Z6

cc: Holly Energy, Inc.
2001 Brian Tower - Suite 2680
Dallas, Texas 75201