

Release July 2, 1985

By DEC

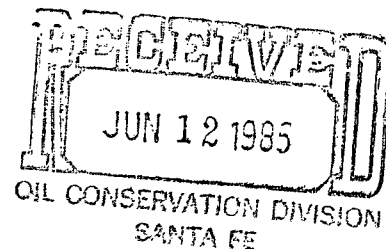
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NSL-2076
RULE-104 F(2)

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June 7, 1985



Director
Oil Conservation Division
New Mexico Energy and Minerals Department
P.O. Box 2088
Santa Fe, New Mexico 87501

Square Lake Grayburg
San Andres Pool

Re: Application for Administrative
Approval of Four Unorthodox
Oil Well Locations

Gentlemen:

J. Cleo Thompson & James Cleo Thompson, Jr., a partnership, 4500 Republic National Bank Tower, Dallas, Texas 75201, hereby respectfully requests administrative approval of four unorthodox oil well locations in the West Square Lake Unit area to be located as follows:

Tract 6 well No. 7 to be 660 feet from the south line and 1295 feet from the east line of Section 35 with the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 35 to be dedicated to the well;

Tract 6 well No. 8 to be 660 feet from the south line and 2615 feet from the west line of Section 35 with the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 35 to be dedicated to the well;

Tract 6 well No. 9 to be 720 feet from the south line and 1345 feet from the west line of Section 35 with the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 35 to be dedicated to the well;

Tract 24 well No. 12 to be 660 feet from the south line and 1295 feet from the east line of Section 36 with the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 36 to be dedicated to the well;

all of the above being in Township 16 South, Range 30 East, NMPM, Square Lake Pool, Eddy County, New Mexico.

The proposed locations are shown on the attached Exhibit "A" and in more detail on Exhibit "B".

Order No. R-7816 granted exception to Rule 104 C. I. of the Division Rules

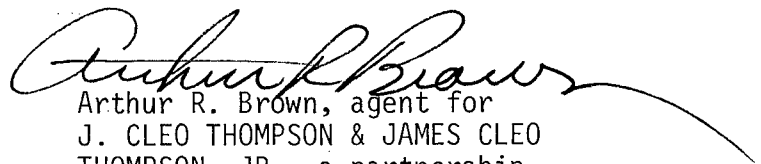
and Regulations permitting the drilling of more than 4 wells per 40-acre spacing unit for the completion of a 5-spot pattern in the West Square Lake Waterflood Project and set out a procedure for administrative approval of unorthodox well locations.

Wells at the above unorthodox locations will permit more efficient development of the West Square Lake Waterflood Project and should result in additional recovery of reserves in the unitized area that would not otherwise be recovered.

Leases, other than unit tracts, offsetting the proration units for which the unorthodox locations are sought, as well as wells completed thereon, are identified on Exhibit "B".

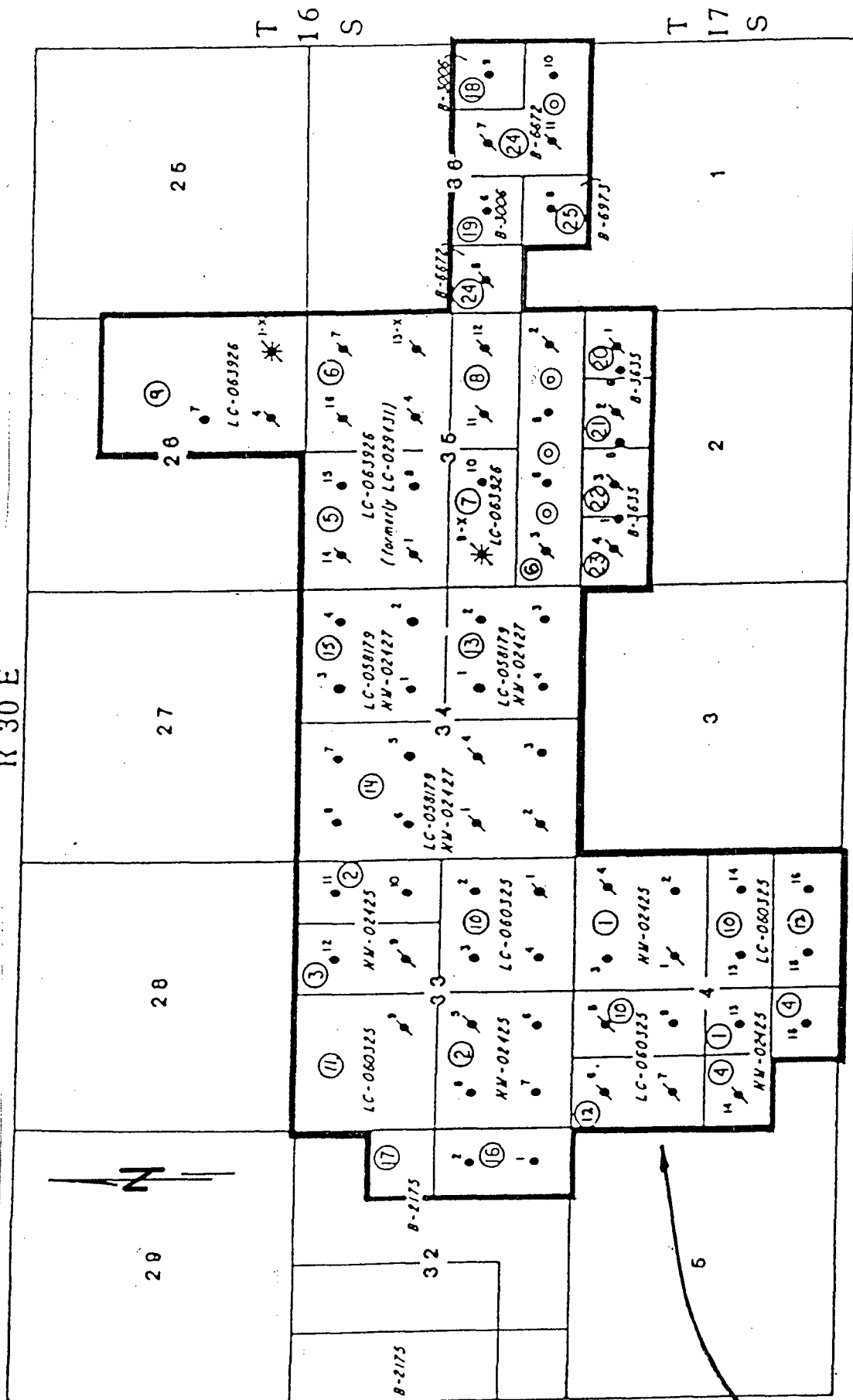
All operators offsetting the proration units are being notified by Certified Mail of this application and are being asked to furnish waivers. A list of the names and addresses of such operators or owners, to whom notice is being mailed as of this date, is attached as Exhibit "C".

Sincerely,


Arthur R. Brown, agent for
J. CLEO THOMPSON & JAMES CLEO
THOMPSON, JR., a partnership

ARB/mb

R 30 E



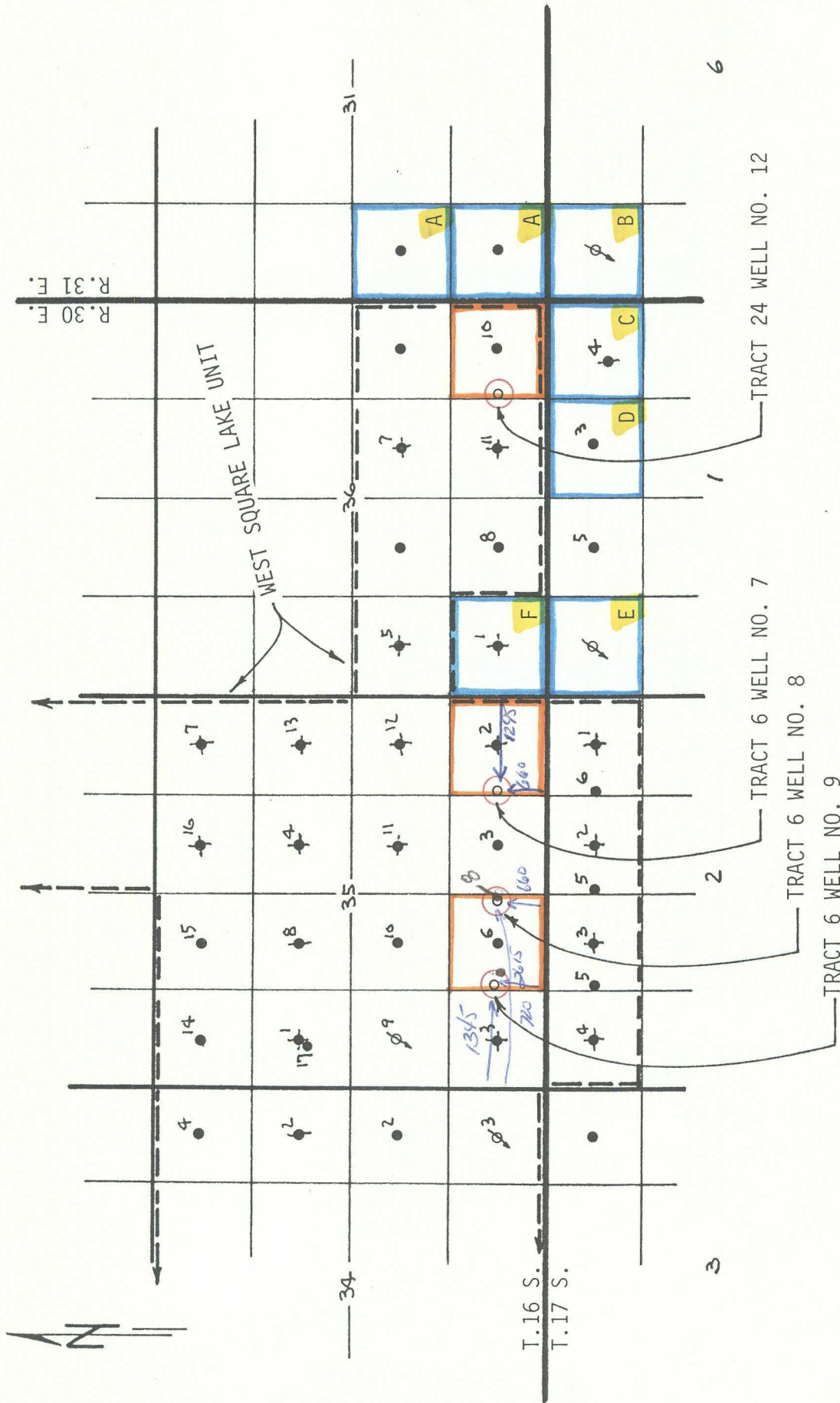
© PROPOSED UNORTHODOX WELL LOCATIONS

WEST SQUARE LAKE UNIT AREA
 WEST SQUARE LAKE UNIT WATERFLOOD PROJECT
 J. CLEO THOMPSON & JAMES CLEO THOMPSON, JR.,
 A PARTNERSHIP, DESIGNATED UNIT OPERATOR.

EXHIBIT "A"

J. CLEO THOMPSON & JAMES CLEO THOMPSON, JR.
 APPLICATION FOR UNORTHODOX WELL LOCATIONS
 WEST SQUARE LAKE UNIT
 EDDY COUNTY, N.M.

6-7-85



PROPOSED UNORTHODOX WELL LOCATION AND DEDICATED ACREAGE



NON-UNIT TRACT OFFSETTING TRACT TO BE DEDICATED TO WELL AT PROPOSED UNORTHODOX LOCATION

EXHIBIT "B"

J. CLEO THOMPSON & JAMES CLEO THOMPSON, JR.
APPLICATION FOR UNORTHODOX WELL LOCATIONS
WEST SQUARE LAKE UNIT
EDDY COUNTY, N.M.

6-7-85

Ownership of non-unit tracts, shown on Exhibit "B" and designated alphabetically, offsetting tracts to be dedicated to wells at the proposed unorthodox locations:

A - Anadarko Production Company
P. O. Box 2497
Midland, Texas 79702

B - Arco Oil and Gas Company
P. O. Box 1610
Midland, Texas 79702

C - JFG Enterprises
P. O. Box 100
Artesia, New Mexico 88210

D - Lucille F. McKinley
P. O. Box 2145
Roswell, New Mexico 88201

E - Burnett Oil Company, Inc.
1500 Interfirst Tower
Fort Worth, Texas 76102

F - Cities Service Oil & Gas Corp.
P. O. Box 1919
Midland, Texas 79702

EXHIBIT "C"

J. CLEO THOMPSON & JAMES CLEO THOMPSON, JR.
APPLICATION FOR UNORTHODOX WELL LOCATIONS
WEST SQUARE LAKE UNIT
EDDY COUNTY, N.M.

6-7-85