

*Transcontinental*

OIL COMPANY, INC.

PRINCIPAL OFFICES

SANTA ROSA, NEW MEXICO

NEW YORK OFFICE  
SUITE 1200

545 FIFTH AVENUE  
MURRAY HILL 7-5519

*Hearing*  
*Graham*  
New Mexico  
Oil Conservation Commission  
Santa Fe, N.M.

172  
January 14, 1949

Gentlemen:

This is to apply for an unorthodox well location on our Coyote Dome No.1. test located in the center of the N.E.  $\frac{1}{4}$  of Sec.1.T.13N R21E.

This well is located directly between two fault zones as shown on the attached geological maps and in the event it was moved either north or south it would involve steeply slanted sub surface formations and would to a great extent be troublesome in retaining a straight hole. We picked this location due to the fact that it is possibly a trap and should be productive. It is tough drilling but could be worse if not in the center of the fault trough.

We have the Cabra Springs Ranch checkerboarded in 160 acre tracts and at the time we figured that 160 acres would be a unit boundary and continued under that presumption.

It is strictly a wildcat well and the unorthodox location would in no way effect any existing wells as to offset procedure. One producing well on our 64,128 acres makes the entire lease a perpetual one as long as oil or gas is produced from any part of the entire tract therefore offset wells in the event of production will not bother this location.

Assuring you of our cooperation at all times we are,

sincerely  
TRANSCONTINENTAL OIL CO. Inc.

*H.A. Hershfield, Jr.*  
H.A. Hershfield, Jr.  
Executive Vice-President