

AZTEC OIL & GAS COMPANY

2000 FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

LAND DEPARTMENT

October 7, 1971

REGISTERED MAIL

Mr. Dan S. Harroun
HARROUN & HAWORTH
601 Riverside Drive
Carlsbad, New Mexico 88240

Re: Request for Waiver
State YS Well No. 1
SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 2
T-20-S, R-33-E
Lea County, New Mexico

Dear Mr. Harroun:

Pursuant to Section VII of Order Number R-111-A of the Oil Conservation Commission of the State of New Mexico, you are hereby advised that Aztec Oil & Gas Company proposes to drill a wildcat well at a location which is 660 feet north of the south line and 1,980 feet east of the west line of Section 2, Township 20 South, Range 33 East N.M.P.M., Lea County, New Mexico, as more fully shown on the operator's plat and Notice of Intention to Drill attached hereto.

An examination of the Commission's records indicates that you are the owner of a potash lease issued by the United States of America under file number NM-029244, which lease covers all of Sections 11, 12, 13 and 14, T-20-S, R-33-E. Although your lease does not cover the lands on which our proposed well is to be located, the Commission's rules require that this notice be given to all potash operators holding potash leases within a radius of one mile of any such proposed well, and you are therefore entitled to this notification. It is our understanding that no potash mining operations are being conducted on your lease at the present time.

You will note from the attached Application that Aztec will undertake a casing program as required by the Commission for the purpose of protecting any potentially productive potash formations which might be penetrated during the drilling of the proposed well.

If you have no objections to the drilling of the proposed well as set forth on the attached Application, we would appreciate it if you would sign the attached copy of this letter, indicating your willingness to waive your

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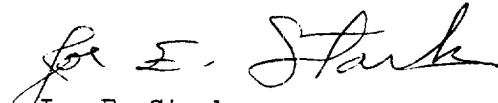
OCT 18 1971

**OIL CONSERVATION COMM.
HOBBS, N. M.**

right to object to the proposed location, and forward one copy of such waiver to the New Mexico Oil Conservation Commission District Office, P. O. Box 1980, Hobbs, New Mexico 88240, Attn.: Mr. Joe Ramey, District Supervisor, and also forward an additional copy of such executed waiver to me for the completion of our files.

We shall sincerely appreciate your cooperation in this matter.

Yours truly,


Joe E. Starks

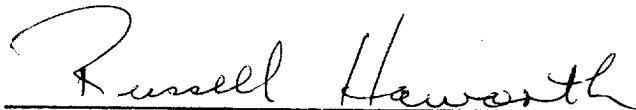
JES:bb
Attachments

Dan S. Harroun and Russell Haworth do hereby waive their right to protest the location of the well as hereinabove described.

Date Oct 17, 1971


Dan S. Harroun

Date Oct 15, 1971


Russell Haworth

cc: Mr. Lester Duke
Aztec Oil & Gas Company
P. O. Box 837
Hobbs, New Mexico 88240

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LAND OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
K-5930

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			7. Unit Agreement Name
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. Farm or Lease Name STATE "YS"
2. Name of Operator AZTEC OIL & GAS COMPANY			9. Well No. 1
3. Address of Operator P. O. BOX 837, HOBBS, NEW MEXICO 88240			10. Field and Pool, or Wildcat UNDESIGNATED
4. Location of Well UNIT LETTER <u>N</u> LOCATED <u>660</u> FEET FROM THE <u>South</u> LINE AND <u>1980</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>2</u> TWP. <u>20-S</u> RGE. <u>33-E</u> NMPM			12. County Lea
21. Elevations (Show whether DF, RT, etc.) 3587 DF'			19. Proposed Depth 3500'
			19A. Formation Seven Rivers
21A. Kind & Status Plug. Bond Statewide		21B. Drilling Contractor Cactus Drilling Co.	20. Rotary or C.T. Rotary
			22. Approx. Date Work will start 10-15-71

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/2"	9-5/8"	36#	1400'	600 sxs	Circulate
8-3/4"	7"	23#	3000'	50 sxs	2800'
6 1/4"	4 1/2"	9#	3500'	1500 sxs	1000'

Production casing will be set from surface through Seven Rivers pay at 3400' and cement circulated to surface casing in event oil or gas production results.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed LESTER L. DUKE Title DISTRICT SUPERINTENDENT Date October 6, 1971

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAN

Form O-102
Supersedes O-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

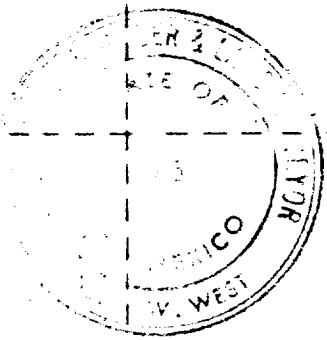
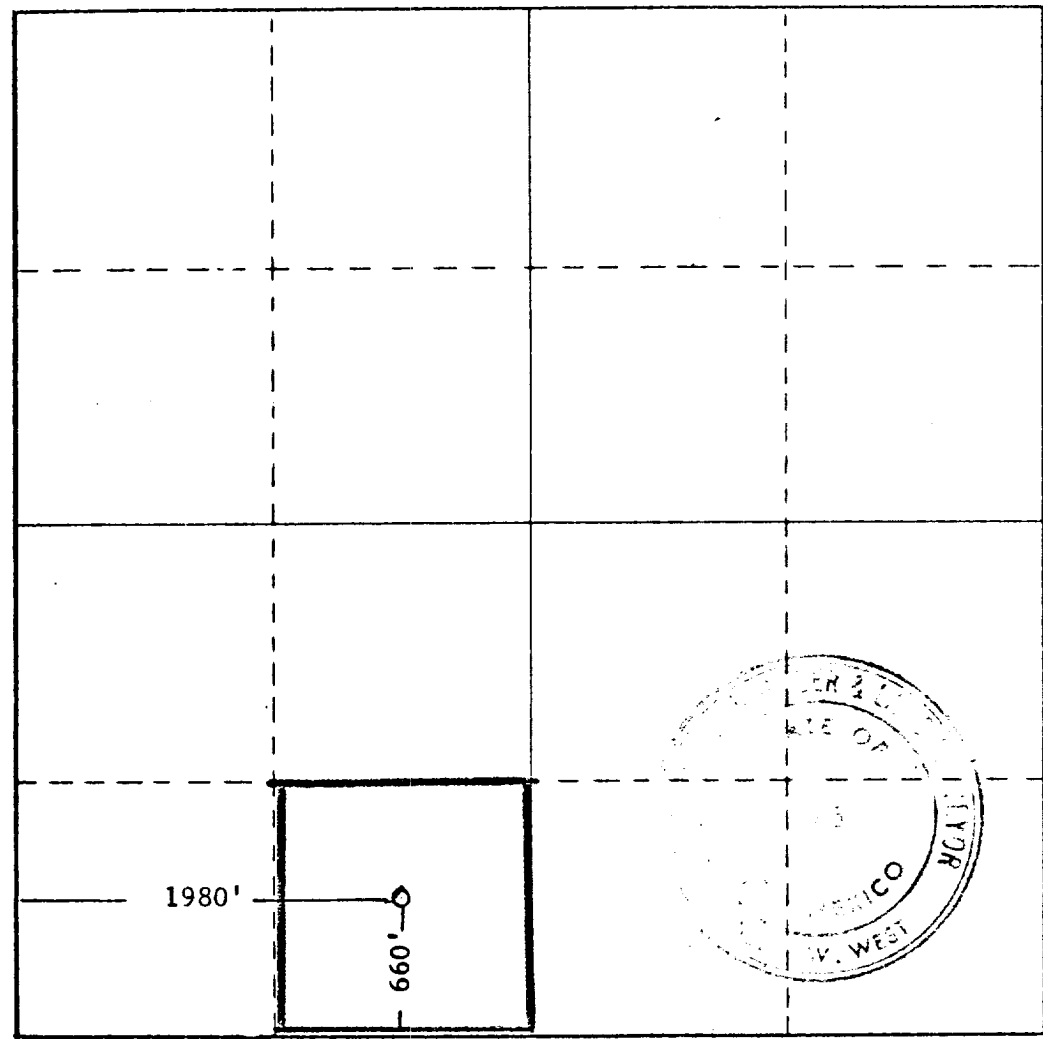
Operator AZTEC OIL & GAS COMPANY		Lease STATE YS		Well No. 1
Unit Letter N	Section 2	Township 20 SOUTH	Range 33 EAST	County LEA
Actual Footage Location of Well: 660 feet from the SOUTH line and 1980 feet from the WEST line				
Ground Level Elev. 3577.1	Producing Formation SEVEN RIVERS	Pool UNDESIGNATED		Dedicated Acreage: 40

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Original signed by
LESTER L. DUKE

Name: **Lester L. Duke**
Position: **District Superintendent**

Company: **AZTEC OIL & GAS COMPANY**

Date: **October 6, 1971**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: **10-2-1971**

Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No. **676**

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