



# AE Order Number Banner

## Report Description

This report shows an AE Order Number in Barcode format for purposes of scanning. The Barcode format is Code 39.



**App Number: pDD00000122002**

**DD - 12**

**NORTH AMERICAN ROYALTIES INC**

ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION



GARREY CARRUTHERS  
GOVERNOR

February 2, 1987

POST OFFICE BOX 2086  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

North American Royalties Inc.  
Claydesta Center Downtown  
306 West Wall - Suite 1400  
Midland, Texas 79701

Attention: Kevin L. Widner, Petroleum Engineer

ADMINISTRATIVE ORDER DD-12

Gentlemen:

Under the provisions of Rule 111 (C) and (D), North American Royalties Inc. made application to the New Mexico Oil Conservation Division on January 2, 1987, for permission to directionally drill and complete for production their LCC State Well No. 1.

The Division Director Finds That:

(1) The application has been duly filed under the provisions of Rule 111 (D) of the Division Rules and Regulations;

(2) Satisfactory information has been provided that all offset operators have been duly notified;

(3) The applicant, North American Royalties Inc. proposes to drill their LCC State Well No. 1 at a surface location 2160 feet from the South line and 510 feet from the East line (Unit I) of Section 11, Township 16 South, Range 36 East, NMPPM, Undesignated Northeast Lovington Pennsylvanian Pool, Lea County, New Mexico.

(4) The applicant seeks to directionally drill said well by kicking off from the vertical at a depth of approximately 850 feet and drilling in such a manner as to penetrate the pool at a standard oil well location in the NW/4 SW/4 (Unit L) of Section 12, Township 16 South, Range 36 East, NMPPM, Lea County, New Mexico.

(5) The N/2 SW/4 of said Section 12 should be dedicated to the well forming a standard 80-acre oil spacing and proration unit in said pool.

(6) The applicant should be required to determine the subsurface location of the bottom of the hole by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling, if said well is to be completed as a producing well.

(7) Approval of the subject application will prevent the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, North American Royalties Inc., is hereby authorized to directionally drill its LCC State Well No. 1 from a surface location 2160 feet from the South line and 510 feet from the East line (Unit I) of Section 11, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, by kicking off from the vertical at a depth of approximately 850 feet, and drilling in such a manner as to penetrate the Undesignated Northeast Lovington Pennsylvanian Pool at a standard well location in the NW/4 SW/4 (Unit L) of Section 12, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, that prior to the above-described directional drilling, the applicant shall establish the location of the kick-off point by conducting a continuous multi-shot directional survey of the well.

PROVIDED FURTHER, that subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, P. O. Box 2088, Santa Fe, New Mexico 87501, and the operator shall notify the Division's Hobbs District Office of the date and time said survey is to be commenced.

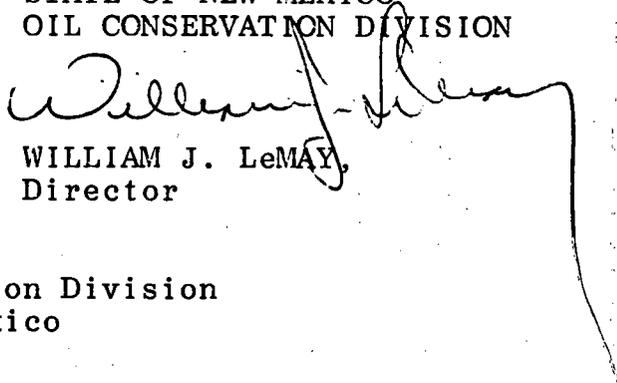
(2) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(3) The N/2 SW/4 of said Section 12 shall be dedicated to the subject well forming a standard 80-acre oil spacing and proration unit in said well.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "William J. LeMay", is written over the typed name and extends downwards with a long, thin line.

WILLIAM J. LeMAY,  
Director

S E A L

cc: Oil Conservation Division  
Hobbs, New Mexico



RECEIVED  
MAR 13 1987  
REGISTRATION DIVISION  
BTA FE

BTA OIL PRODUCERS

104 SOUTH PECOS  
MIDLAND, TEXAS 79701-9988

AC 915-682-3753

March 11, 1987

DD-12

M.S.

PARTNERS  
CARLTON BEAL  
CARLTON BEAL, JR.  
BARRY BEAL  
SPENCER BEAL  
KELLY BEAL

In Re: North American Royalties  
LCC State Well No. 1  
Lea County, New Mexico

---

Mr. Kevin L. Widner  
North American Royalties  
Claydesta Center Downtown  
306 West Wall, Suite 1400  
Midland, Tx 79701

Dear Mr. Widner:

BTA does not object to drilling the above well to complete it at a legal bottom-hole location in the Strawn. However, the C-101 form filed for this well shows a proposed depth of 12,300', adequate to test the Atoka.

BTA Oil Producers will oppose a later unorthodox well location request for an Atoka gas completion using an existing well bore as a basis.

Yours truly,

Steve Salmon  
BTA

SS/clh

cc: Jerry Sexton  
William J. Le May



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
 OIL CONSERVATION DIVISION

Date Jan. 28, 1987

TONY ANAYA  
 GOVERNOR

POST OFFICE BOX 2088  
 STATE LAND OFFICE BUILDING  
 SANTA FE, NEW MEXICO 87501  
 (505) 827-5800

Operator North American Royalties, Inc.  
Claydesta Center Downtown  
306 West Wall - Suite 1400  
Midland, Texas 79701  
 Attention: Kevin L. Widner  
Petroleum Engineer

*M.S.,*  
*2/3/87*

ADMINISTRATIVE ORDER DD- 12

Gentlemen:

Under the provisions of Rule 111 (C) and (D), North American Royalties, Inc. made application to the New Mexico Oil Conservation Division on January 2, 1987, for permission to directionally drill and complete for production their LCC State Well No. 1.

The Division Director Finds That:

(1) The application has been duly filed under the provisions of Rule 111 (D) of the Division Rules and Regulations;

(2) Satisfactory information has been provided that all offset operators have been duly notified;

*drill*  
 (3) The applicant, North American Royalties, Inc., ~~is~~ *proposes to* ~~the owner and operator of their LCC State Well No. 1, the~~ *at a* surface location ~~of which is~~ *2160* feet from the South line and 510 feet from the East line of Section 11, Township 16 South, Range 36 East, N.M.P.M., Undersigned Northeast Lovington Pool, Lea County, New Mexico.  
*Pennington*

(4) The applicant seeks to directionally drill said well by kicking off from the vertical at a depth of approximately 850 feet and drilling in such a manner as to penetrate ~~the~~ *the Pool* formation within 50 feet of a ~~point~~ *point* ~~feet from the~~ *line and* ~~feet from the~~ *line of Section*

*at a standard oil well location*  
 (Unit)  
*in the NW 1/4 SW 1/4 of Section 12, Township 16 South, Range 36 East, N.M.P.M., Lea County, New Mexico.*

(5) The N/2 SW/4 <sup>well</sup> of Section 12 should be dedicated to the well forming a standard 30-acre oil sharing and protection unit in said pool.

(6) The applicant should be required to determine the subsurface location of the bottom of the hole by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling, if said well is to be completed as a producing well.

(7) Approval of the subject application will prevent the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, North American Royalties, Inc. is hereby authorized to directionally drill its 600 State Well No. 1 from a 12 surface location 2160 feet from the South line and 510 feet from the East line of Section 12, Township 16 South, Range 36 East, N.M.P.M. Pool, by kicking off from the vertical at a depth of approximately 850 feet, and drilling in such a manner as to penetrate the ~~formation within 60 feet of a point feet from the line and feet from the line of Section~~

standard well location in the NW/4 SW/4 (Unit 4) of Section 12, Township 16 South, Range 36 East, N.M.P.M., Lea County, New Mexico.  
Underground Petroleum Pool at

PROVIDED HOWEVER, that prior to the above-described directional drilling, the applicant shall establish the location of the kick-off point by conducting a continuous multi-shot directional survey of the well.

PROVIDED FURTHER, that subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, P. O. Box 2088, Santa Fe, New Mexico 87501, and the operator shall notify the Division's Hobbs District Office of the date and time said survey is to be commenced.

(2) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(3) The N/2 SW/4 of said Section 12 shall be dedicated to the subject well *forming a standard 80-acre oil survey and operation unit in the said pool.*

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

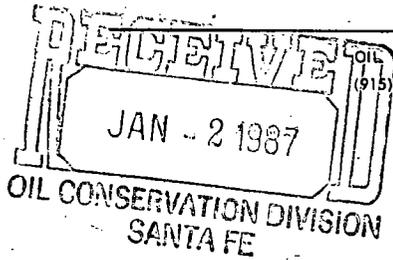
~~R. L. STAMETS,~~  
~~Acting Director~~

*William J. Ledney*  
*Director*

S E A L

*L.C. MOCO Hobbs*

NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION  
(915) 683-4836

CLAYDESTA CENTER DOWNTOWN  
306 WEST WALL - SUITE 1400  
MIDLAND, TEXAS 79701

December 29, 1986

State of New Mexico  
Energy and Minerals Department  
P.O. Box 2088  
Santa Fe, New Mexico 87504

Attention: Mike Stockner

Re: Request for Approval to  
Drill a Deviated-Hole  
LCC State Well No. 1  
Lea County, New Mexico

Dear Mr. Stockner:

North American Royalties, Inc. is hereby requesting approval to intentionally drill a deviated hole in Lea County, New Mexico. The proposed surface location is 2130' FSL and 510' FEL, Section 11, T-16-S, R-36-E, with the bottom-hole location being in Section 12, 330' FWL and 2310' FSL, T-16-S, R-36-E (see attached plat).

The subject well will be directionally-drilled because the optimum bottom-hole location, determined geologically and by seismic, is directly beneath the Lovington County Club parking lot. Therefore, from a surface location approximately 850' southwest from the bottom-hole location, the well will be drilled to 7200', kicked-off and directionally-drilled to a target radius of 50' from the bottom-hole location.

Notification letters to all off-set operators of the unit for which the permit to deviate is sought were sent out on December 29, 1986.

If you have any questions or need additional information, please contact me at (915) 683-4836.

Sincerely yours,

Kevin L. Widner  
Petroleum Engineer

KLW:mmc

Attachment

NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION  
(915) 683-4836

CLAYDESTA CENTER DOWNTOWN  
306 WEST WALL - SUITE 1400  
MIDLAND, TEXAS 79701

December 29, 1986

State of New Mexico  
Energy and Minerals Department  
P.O. Box 2088  
Santa Fe, New Mexico 87504

Attention: Mike Stockner

Re: Request for Approval to  
Drill a Deviated-Hole  
LCC State Well No. 1  
Lea County, New Mexico

Dear Mr. Stockner:

North American Royalties, Inc. is hereby requesting approval to intentionally drill a deviated hole in Lea County, New Mexico. The proposed surface location is 2130' FSL and 510' FEL, Section 11, T-16-S, R-36-E, with the bottom-hole location being in Section 12, 330' FWL and 2310' FSL, T-16-S, R-36-E (see attached plat).

The subject well will be directionally-drilled because the optimum bottom-hole location, determined geologically and by seismic, is directly beneath the Lovington County Club parking lot. Therefore, from a surface location approximately 850' southwest from the bottom-hole location, the well will be drilled to 7200', kicked-off and directionally-drilled to a target radius of 50' from the bottom-hole location.

*Northeast  
Lovington  
Stream*

Notification letters to all off-set operators of the unit for which the permit to deviate is sought were sent out on December 29, 1986.

If you have any questions or need additional information, please contact me at (915) 683-4836.

Sincerely yours,

Kevin L. Widner  
Petroleum Engineer

KLW:mmr

Attachment

NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION  
(915) 683 - 4836

CLAYDESTA CENTER DOWNTOWN  
306 WEST WALL - SUITE 1400  
MIDLAND, TEXAS 79701

December 29, 1986

State of New Mexico  
Energy and Minerals Department  
P.O. Box 2088  
Santa Fe, New Mexico 87504

Attention: Mike Stockner

Re: Request for Approval to  
Drill a Deviated-Hole  
LCC State Well No. 1  
Lea County, New Mexico

Dear Mr. Stockner:

North American Royalties, Inc. is hereby requesting approval to intentionally drill a deviated hole in Lea County, New Mexico. The proposed surface location is 2130' FSL and 510' FEL, Section 11, T-16-S, R-36-E, with the bottom-hole location being in Section 12, 330' FWL and 2310' FSL, T-16-S, R-36-E (see attached plat).

The subject well will be directionally-drilled because the optimum bottom-hole location, determined geologically and by seismic, is directly beneath the Lovington County Club parking lot. Therefore, from a surface location approximately 850' southwest from the bottom-hole location, the well will be drilled to 7200', kicked-off and directionally-drilled to a target radius of 50' from the bottom-hole location.

Notification letters to all off-set operators of the unit for which the permit to deviate is sought were sent out on December 29, 1986.

If you have any questions or need additional information, please contact me at (915) 683-4836.

Sincerely yours,

A handwritten signature in black ink, appearing to read "K. Widner", written in a cursive style.

Kevin L. Widner  
Petroleum Engineer

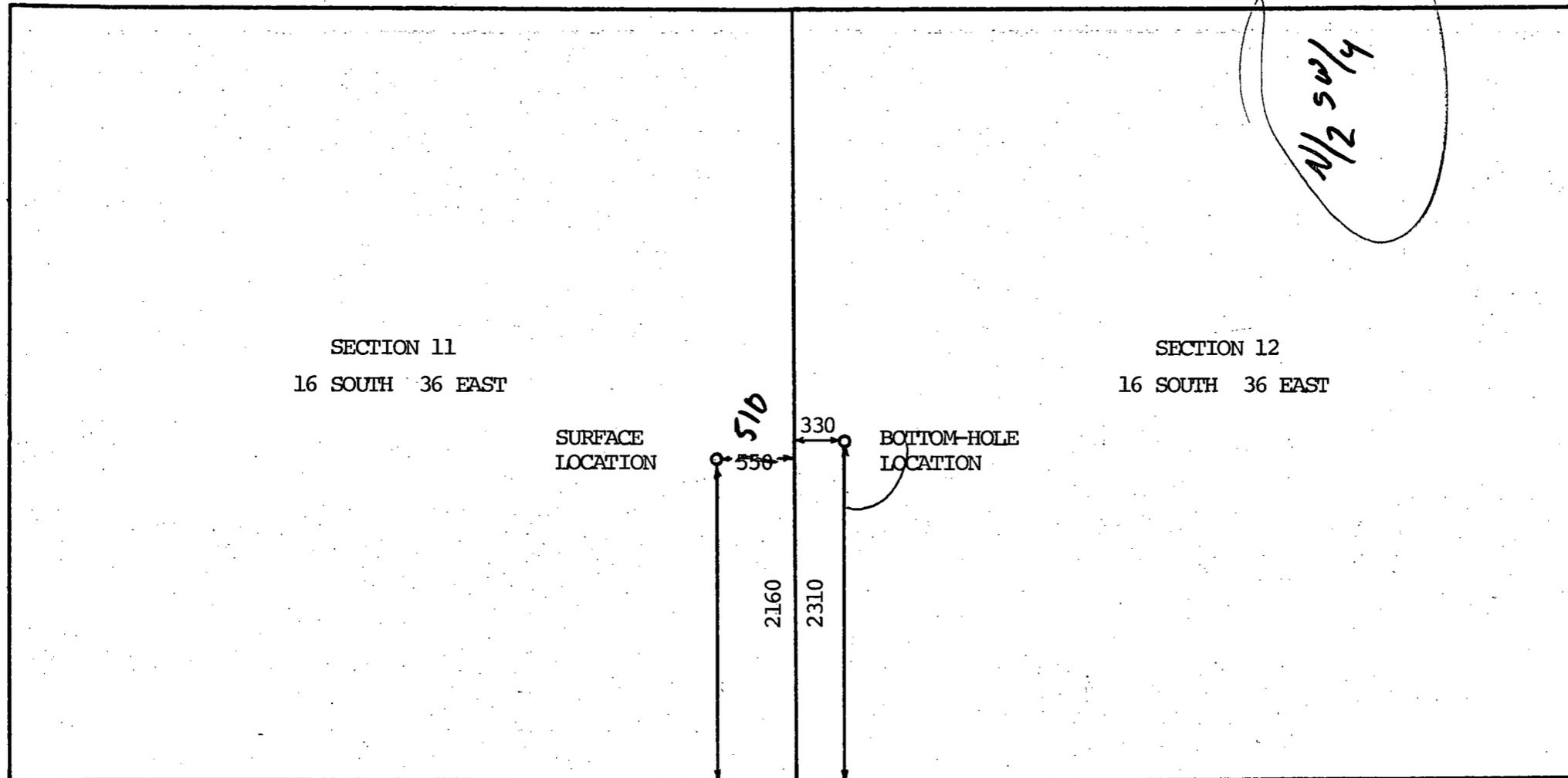
KLW:mmr

Attachment

NORTH AMERICAN ROYALTIES, INC.

LCC STATE WELL NO. 1

LEA COUNTY, NEW MEXICO

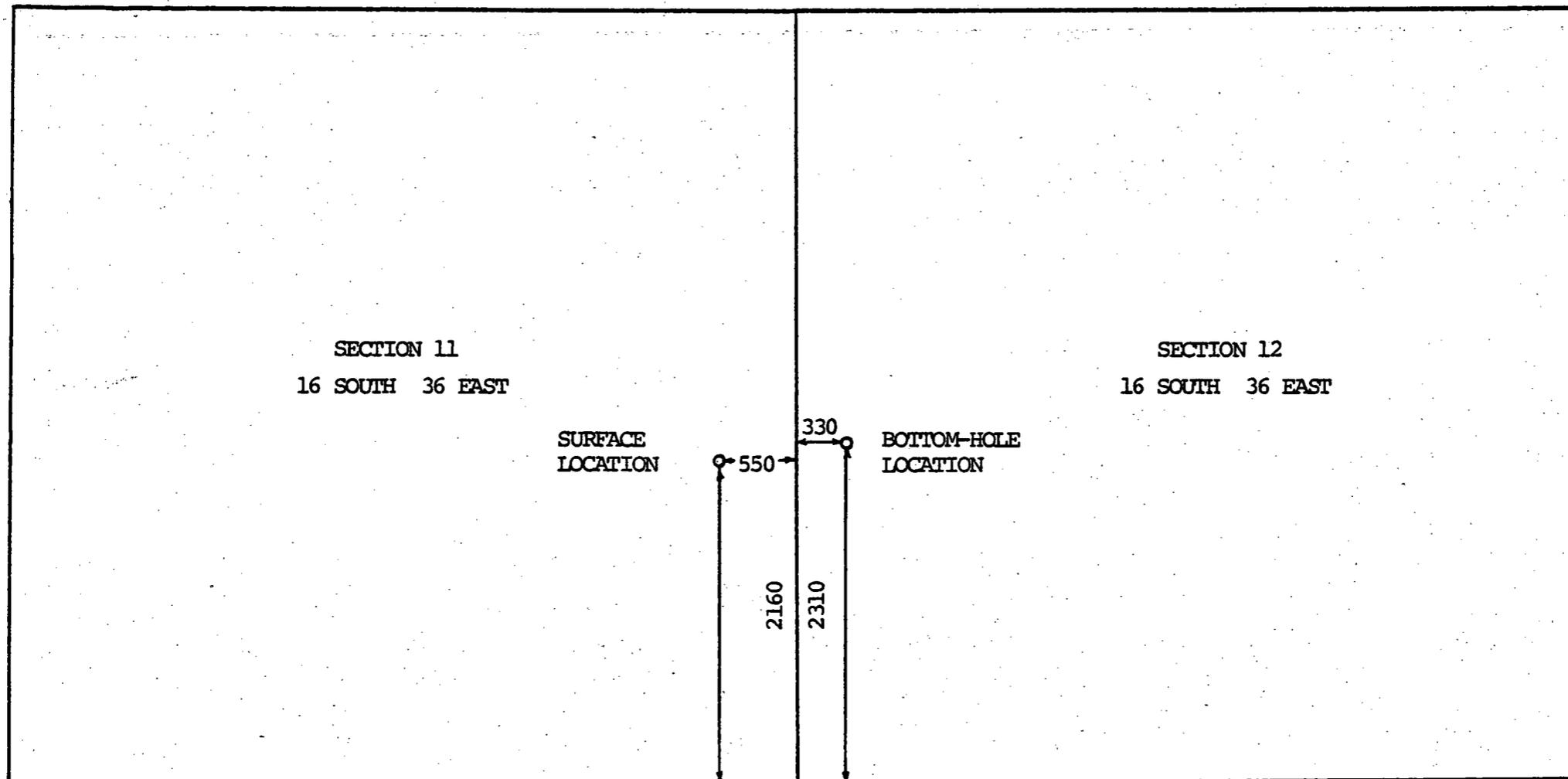


SCALE: 1" = 1000'

NORTH AMERICAN ROYALTIES, INC.

LCC STATE WELL NO. 1

LEA COUNTY, NEW MEXICO

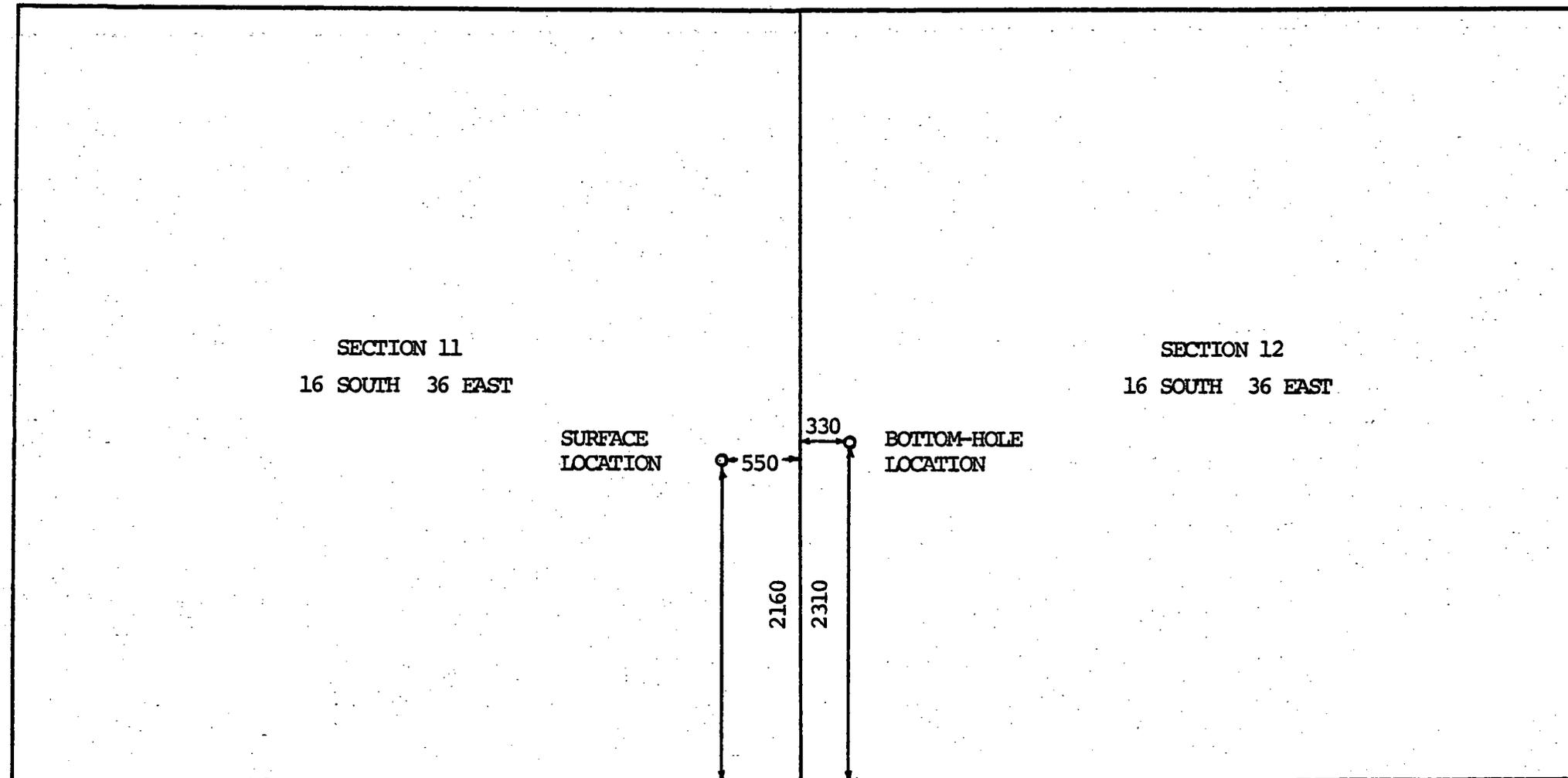


SCALE: 1" = 1000'

NORTH AMERICAN ROYALTIES, INC.

LOC STATE WELL NO. 1

LEA COUNTY, NEW MEXICO



SCALE: 1" = 1000'

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

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

All distances must be from the outer boundaries of the Section.

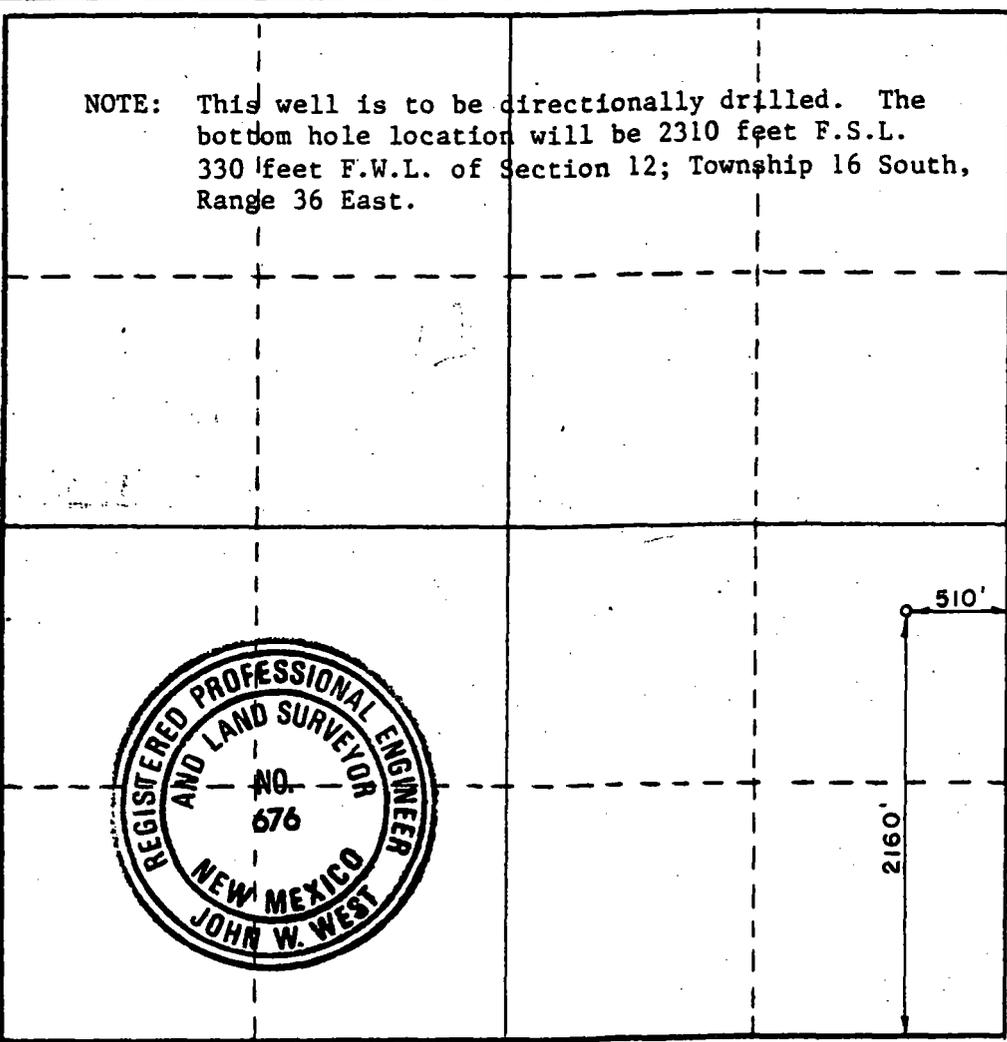
Operator <b>North American Royalties, Inc.</b>			Lease <b>LCC-State</b>		Well No. <b>#1</b>
Unit Letter <b>I</b>	Section <b>11</b>	Township <b>16 South</b>	Range <b>36 East</b>	County <b>Lea</b>	
Actual Footage Location of Well: <b>2160</b> feet from the <b>South</b> line and <b>510</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3880.9</b>	Producing Formation		Pool	Dedicated Acreage:  Acres	

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.



**NOTE:** This well is to be directionally drilled. The bottom hole location will be 2310 feet F.S.L. 330 feet F.W.L. of Section 12; Township 16 South, Range 36 East.

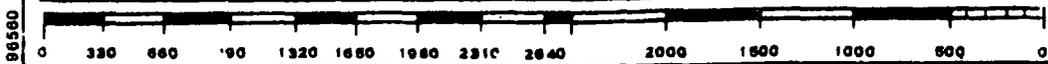
**CERTIFICATION**

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

Name
Position
Company
Date

*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 <b>November 7, 1986</b>
Registered Professional Engineer and/or Land Surveyor 
Certificate No. <b>JOHN W. WEST, 676</b> <b>RONALD J. EIDSON, 3239</b>



**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-4-65

All distances must be from the outer boundaries of the Section.

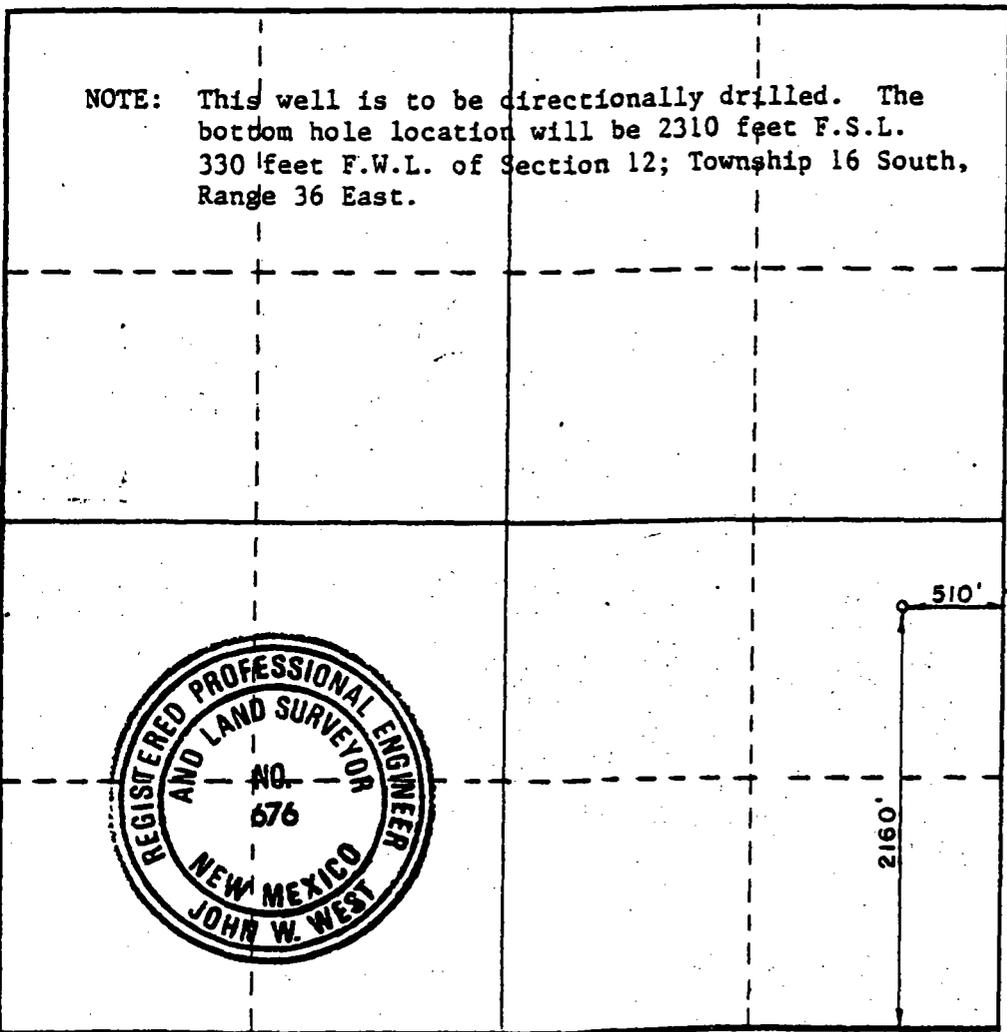
Operator <b>North American Royalties, Inc.</b>			Lease <b>LCC-State</b>			Well No. <b>#1</b>		
Unit Letter <b>I</b>	Section <b>11</b>	Township <b>16 South</b>	Range <b>36 East</b>	County <b>Lea</b>				
Actual Footage Location of Well: <b>2160</b> feet from the <b>South</b> line and <b>510</b> feet from the <b>East</b> line								
Ground Level Elev. <b>3880.9</b>	Producing Formation			Pool		Dedicated Acreage:  Acres		

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.



NOTE: This well is to be directionally drilled. The bottom hole location will be 2310 feet F.S.L. 330 feet F.W.L. of Section 12; Township 16 South, Range 36 East.

**CERTIFICATION**

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

Name \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Date \_\_\_\_\_

*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  
**November 7, 1986**

Registered Professional Engineer and/or Land Surveyor

*[Signature]*



**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

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

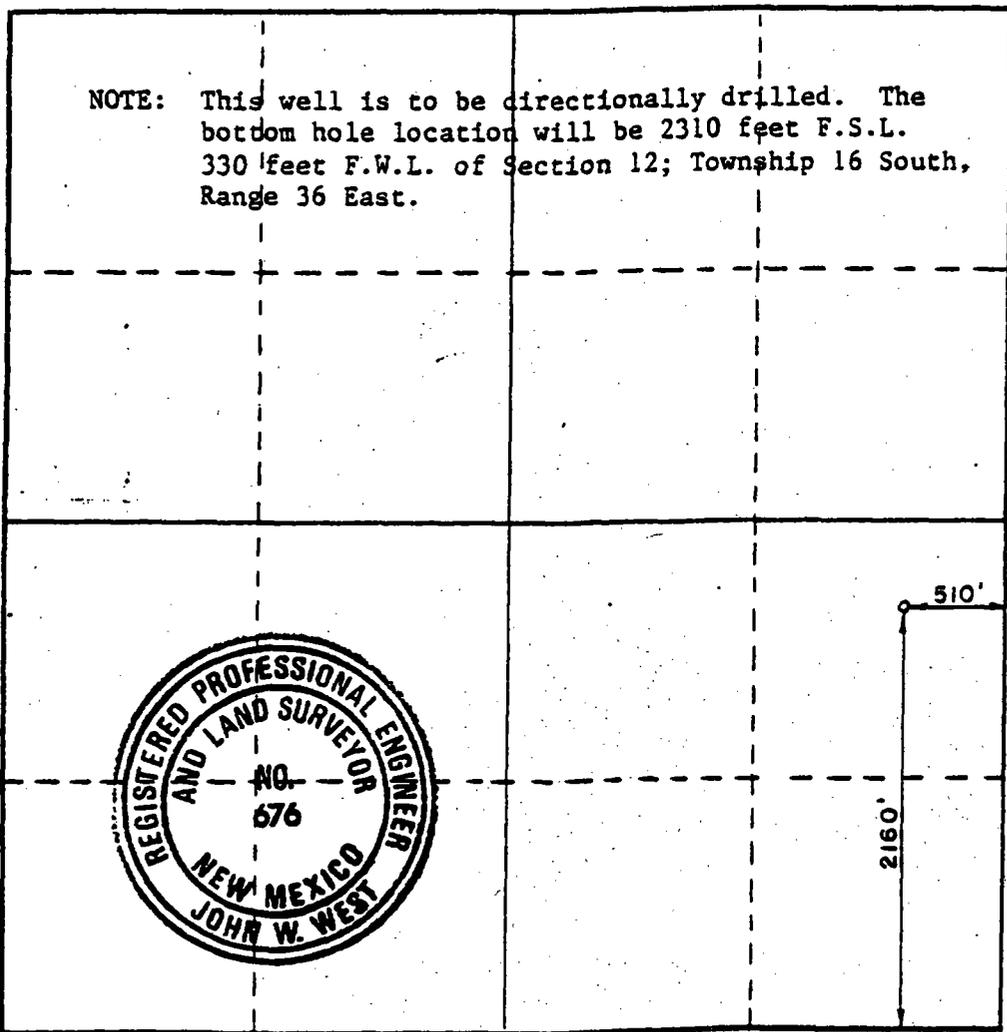
All distances must be from the outer boundaries of the Section.

Operator <b>North American Royalties, Inc.</b>			Lease <b>LCC-State</b>			Well No. <b>#1</b>		
Unit Letter <b>I</b>	Section <b>11</b>	Township <b>16 South</b>	Range <b>36 East</b>	County <b>Lea</b>				
Actual Footage Location of Well: <b>2160</b> feet from the <b>South</b> line and <b>510</b> feet from the <b>East</b> line								
Ground Level Elev. <b>3880.9</b>	Producing Formation			Pool	Dedicated Acreage:  Acres			

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.



NOTE: This well is to be directionally drilled. The bottom hole location will be 2310 feet F.S.L. 330 feet F.W.L. of Section 12; Township 16 South, Range 36 East.

**CERTIFICATION**

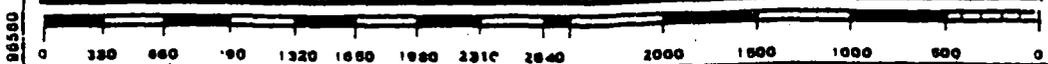
*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.*

Name
Position
Company
Date

*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 <b>November 7, 1986</b>
Registered Professional Engineer and/or Land Surveyor

*John W. West*



NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION  
(915) 683-4836

CLAYDESTA CENTER DOWNTOWN  
306 WEST WALL - SUITE 1400  
MIDLAND, TEXAS 79701

December 29, 1986

TO: OFFSET OPERATORS  
(SEE ATTACHED LIST)

Re: LCC State Well No. 1  
Lea County, New Mexico

Gentlemen:

In compliance with the Oil Conservation Division of New Mexico, this is notification that North American Royalties, Inc. plans to drill a directional hole in Lea County, New Mexico with the surface location being in Section 11, 2160' FSL and 510' FEL, T-16-S, R-36-E, and the bottom-hole location being 2310' FSL and 330' FWL of Section 12, T-16-S, R-36-E.

If you have any questions, please contact me at (915) 683-4836.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "K. Widner", is written over a light-colored background.

Kevin L. Widner  
Petroleum Engineer

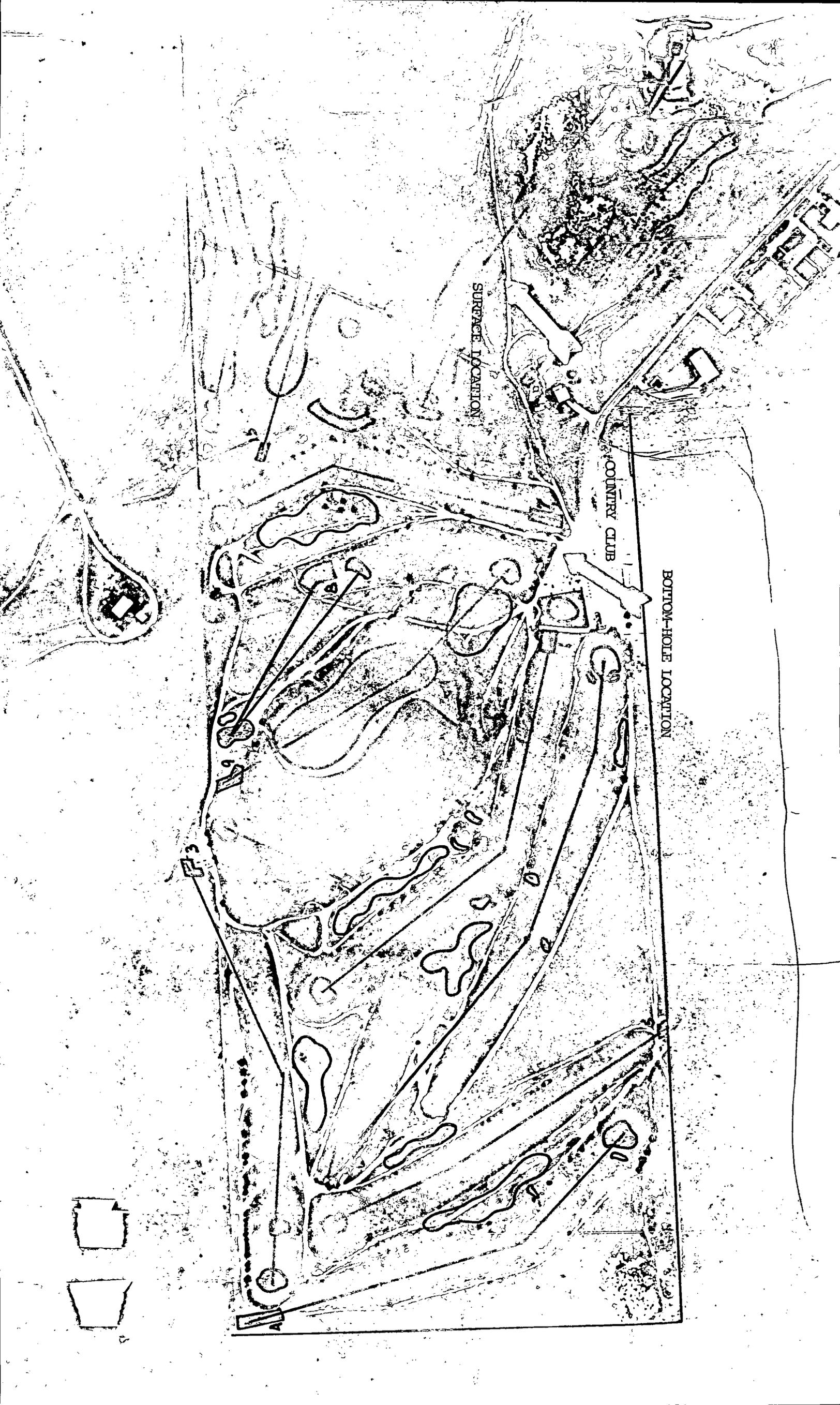
KLW:mmr

Attachment

OFFSET OPERATORS  
LCC STATE WELL NO. 1  
LEA COUNTY, NEW MEXICO

- (1) Amerada Hess Corporation  
1200 Milam, 6th Floor  
Houston, Texas 77002  
ATTENTION: Gregory J. Morton
- (2) American Cometra, Inc.  
500 Throckmorton Street  
Suite 2104  
Fort Worth, Texas 76102  
ATTENTION: Mr. Zack Brittain
- (3) Bass Enterprises Production Company  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102  
ATTENTION: William A. Hamilton
- (4) BTA Oil Producers  
104 S. Pecos  
Midland, Texas 79701  
ATTENTION: Win J. Farquhar
- (5) Estoril Producing Corporation  
400 W. Illinois, No. 1600  
Midland, Texas 79701  
ATTENTION: Mr. Flynt Chancellor
- (6) Mesa Petroleum Company  
One Mesa Square  
P.O. Box 2009  
Amarillo, Texas 79189  
ATTENTION: R. W. Petrie
- (7) Polaris Production Corporation  
P.O. Box 1749  
Midland, Texas 79702  
ATTENTION: Mr. Davis Payne
- (8) Republic Bank First Nat'l-Midland  
P.O. Box 270  
Midland, Texas 79702  
ATTENTION: Mr. Robert C. Boothe  
Vice-President/Manager  
Trust Property Division  
Trust Nos. 1190 and 1191
- (9) Sequoyah Oil and Gas Company  
900 N. 14th  
P.O. Box 742  
Fort Smith, Arkansas 72902  
ATTENTION: Frank W. Brant
- (10) Sun Exploration & Production Company  
P.O. Box 2880  
Dallas, Texas 75221  
ATTENTION: C. J. La Fleur
- (11) Swift Energy Company  
16825 Northchase Drive, No. 400  
Houston, Texas 77060  
ATTENTION: Mr. Scott McDonald
- (12) Tesoro Petroleum Corporation  
8700 Tesoro Drive  
San Antonio, Texas 78286  
ATTENTION: Kenneth N. Durham
- (13) Texaco, Inc.  
500 N. Loraine Street  
Midland, Texas 79701  
ATTENTION: Land Manager





SURFACE LOCATION

COUNTRY CLUB

BOTTOM-HOLE LOCATION





SURFACE LOCATION

COUNTRY CLUB

BOTTOM-HOLE LOCATION

NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION  
(915) 683-4836

CLAYDESTA CENTER DOWNTOWN  
306 WEST WALL - SUITE 1400  
MIDLAND, TEXAS 79701

December 29, 1986

TO: OFFSET OPERATORS  
(SEE ATTACHED LIST)

Re: LOC State Well No. 1  
Lea County, New Mexico

Gentlemen:

In compliance with the Oil Conservation Division of New Mexico, this is notification that North American Royalties, Inc. plans to drill a directional hole in Lea County, New Mexico with the surface location being in Section 11, 2160' FSL and 510' FEL, T-16-S, R-36-E, and the bottom-hole location being 2310' FSL and 330' FWL of Section 12, T-16-S, R-36-E.

If you have any questions, please contact me at (915) 683-4836.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "KLW", is written over the typed name.

Kevin L. Widner  
Petroleum Engineer

KLW:mmr

Attachment

OFFSET OPERATORS  
LOC STATE WELL NO. 1  
LEA COUNTY, NEW MEXICO

- (1) Amerada Hess Corporation  
1200 Milam, 6th Floor  
Houston, Texas 77002  
ATTENTION: Gregory J. Morton
- (2) American Cometra, Inc.  
500 Throckmorton Street  
Suite 2104  
Fort Worth, Texas 76102  
ATTENTION: Mr. Zack Brittain
- (3) Bass Enterprises Production Company  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102  
ATTENTION: William A. Hamilton
- (4) BTA Oil Producers  
104 S. Pecos  
Midland, Texas 79701  
ATTENTION: Win J. Farquhar
- (5) Estoril Producing Corporation  
400 W. Illinois, No. 1600  
Midland, Texas 79701  
ATTENTION: Mr. Flynt Chancellor
- (6) Mesa Petroleum Company  
One Mesa Square  
P.O. Box 2009  
Amarillo, Texas 79189  
ATTENTION: R. W. Petrie
- (7) Polaris Production Corporation  
P.O. Box 1749  
Midland, Texas 79702  
ATTENTION: Mr. Davis Payne
- (8) Republic Bank First Nat'l-Midland  
P.O. Box 270  
Midland, Texas 79702  
ATTENTION: Mr. Robert C. Boothe  
Vice-President/Manager  
Trust Property Division  
Trust Nos. 1190 and 1191
- (9) Sequoyah Oil and Gas Company  
900 N. 14th  
P.O. Box 742  
Fort Smith, Arkansas 72902  
ATTENTION: Frank W. Brant
- (10) Sun Exploration & Production Company  
P.O. Box 2880  
Dallas, Texas 75221  
ATTENTION: C. J. La Fleur
- (11) Swift Energy Company  
16825 Northchase Drive, No. 400  
Houston, Texas 77060  
ATTENTION: Mr. Scott McDonald
- (12) Tesoro Petroleum Corporation  
8700 Tesoro Drive  
San Antonio, Texas 78286  
ATTENTION: Kenneth N. Durham
- (13) Texaco, Inc.  
500 N. Loraine Street  
Midland, Texas 79701  
ATTENTION: Land Manager

NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION  
(915) 683-4836

CLAYDESTA CENTER DOWNTOWN  
306 WEST WALL - SUITE 1400  
MIDLAND, TEXAS 79701

December 29, 1986

TO: OFFSET OPERATORS  
(SEE ATTACHED LIST)

Re: LCC State Well No. 1  
Lea County, New Mexico

Gentlemen:

In compliance with the Oil Conservation Division of New Mexico, this is notification that North American Royalties, Inc. plans to drill a directional hole in Lea County, New Mexico with the surface location being in Section 11, 2160' FSL and 510' FEL, T-16-S, R-36-E, and the bottom-hole location being 2310' FSL and 330' FWL of Section 12, T-16-S, R-36-E.

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