

HENRY ENGINEERING
Petroleum Engineers
 807 FIRST NATIONAL BANK BUILDING
 MIDLAND, TEXAS 79701

May 25, 1973

Mr. Dan Nutter
 New Mexico Oil Conservation Commission
 P. O. Box 871
 Santa Fe, New Mexico 87501

NSL - 604
 104 F
 Answers attached
 MAY 29 1973
 DIVISION COMM.
 85
 200

Re: Unorthodox Location
 David Fasken
 El Paso "3" Federal No. 1
 Wildcat, Section 3,
 T-21-S, R-26-E, NMPM,
 Eddy County, New Mexico

Dear Sir:

My client, David Fasken proposes to drill an 11,100' Morrow Sand test 2723.9' from the north line and 2780.0' from the east line of Section 3, T-21-S, R-26-E, NMPM, Eddy County, New Mexico. This location is within lands administered by the U.S. Bureau of Reclamation surrounding Avalon Lake.

The drilling and spacing unit for this well will consist of Lots 9, 10, 11, 12, 13, 14, 15, and 16 of Section 3. At the coordinates recited above this location will be 489.1' from the north line of Lot 11 and 195.1' from the east line of Lot 11 of Section 3.

This unorthodox location is necessary to comply with a regulation of the U.S. Bureau of Reclamation that provides for all drilling wells to be located at least 300' outside of the surface elevation contour of 3180' above sea level. This location was moved 300' from the subject contour and an additional 107' in order to obtain a suitable drill site.

Mr. Bill Gressett of your Artesia office visited the proposed well site with myself and representatives of the United States Geological Survey on May 24, 1973. Mr. Gressett is fully apprised of all conditions relating to the location of this well.

Mr. Dan Nutter
May 25, 1973

-2-

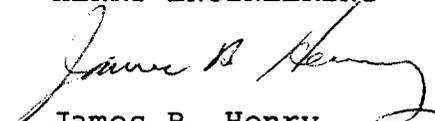
I am enclosing a copy of Form C-102, a Surveyors plat showing the location of this well within Lot 11, and a plat showing the offsetting lease ownership. An application for a permit to drill was filed with the Artesia office of the United States Geological Survey on May 24, 1973.

This proposed 320-acre spacing unit is a part of a large working interest unit with my client, David Fasken being unit operator. Lands contributed to this unit and operated by Mr. Fasken offset the drilling and producing unit for Well No. 1 on the north, east and south. On the west end, leases operated by Western Reserves Oil Company and Inexco Oil Company both of whom are owners in the proposed drilling unit offset this 320-acre unit. I have included a waiver from Inexco Oil Company and will forward one from Western Reserves Oil Company on Tuesday, May 29th, by wire or mail. Their personnel are out of the city for the weekend.

We respectfully solicit your approval of this unorthodox location.

Yours very truly,

HENRY ENGINEERING


James B. Henry

Encl.
JBH:bh

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-126
Effective 1-4-65

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

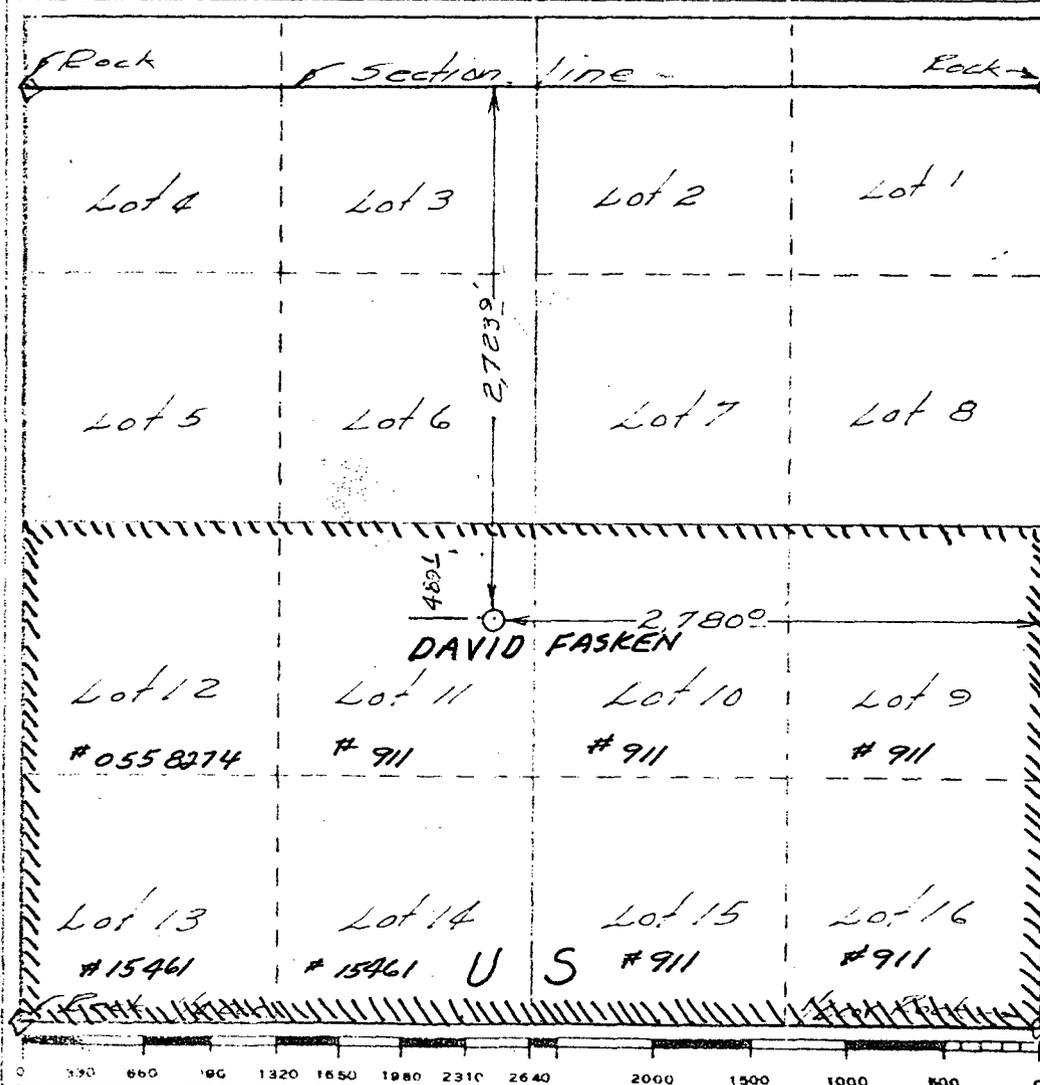
Operator DAVID FASKEN		Lease EL PASO "3" FEDERAL		Well No. 1	
Tract Letter Lot 11	Section 3	Township 21 S.	Range 26 E.	County EDDY	
Actual Footage Location of Well: 2,723.9 feet from the North line and 2,870.0 feet from the East line					
Ground Level Elev. 3189	Producing Formation	Pool	Dedicated Acreage: 3.20 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?

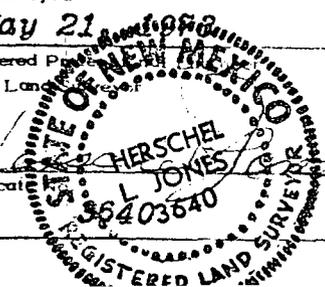
Yes No If answer is "yes," type of consolidation Communitization - Agreement circulating

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.	
Name	<u>James B. Henry</u>
Position	<u>Agent</u>
Company	<u>DAVID FASKEN</u>
Date	<u>5-24-73</u>
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	<u>May 21 1973</u>
Registered Professional Land Surveyor and/or Land Surveyor	<u>91</u>
Certificate No.	<u>36403640</u>

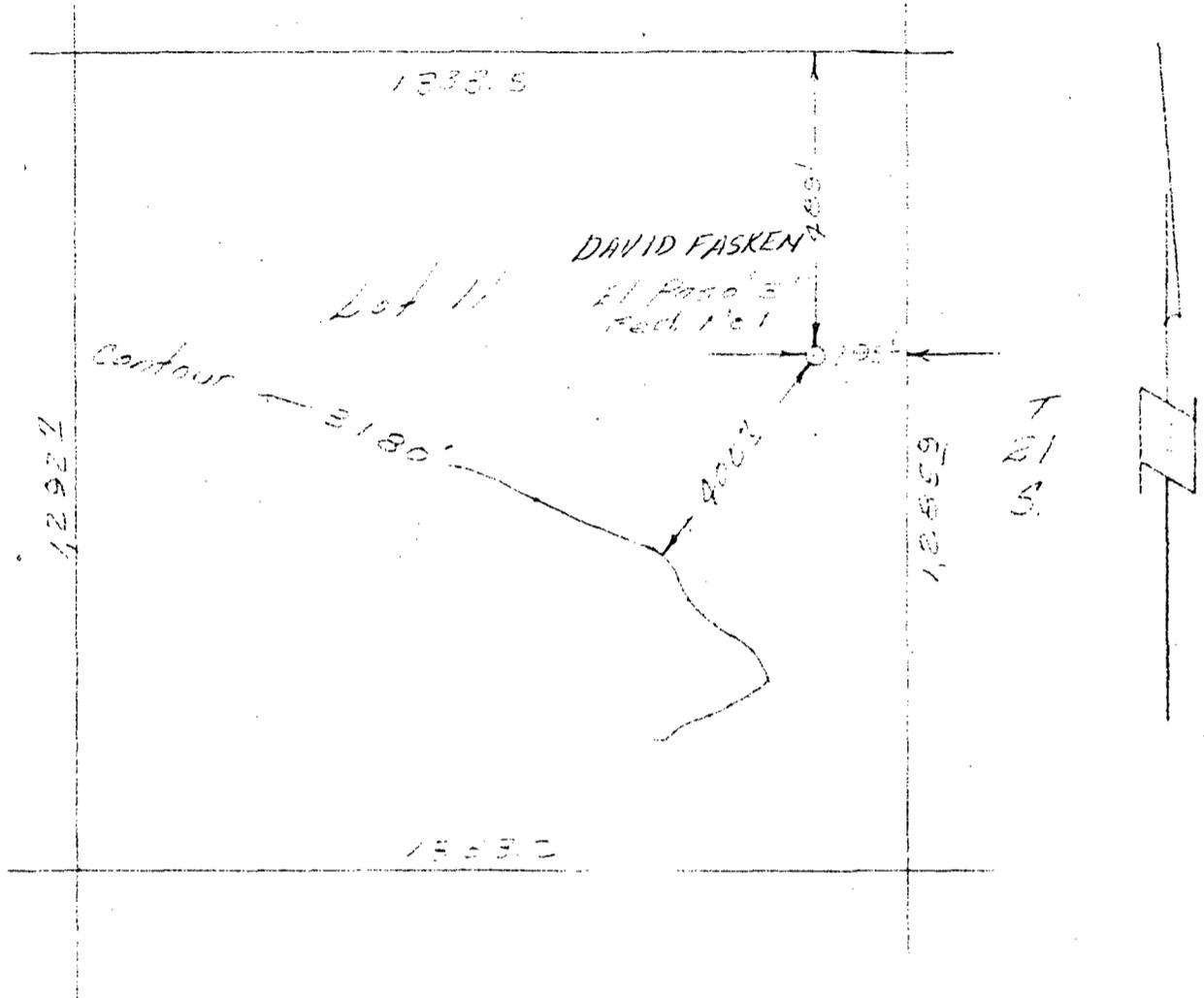


PLAT OF SURVEY

AFE 246

Lot 11, Section 3, Township 21 South, Range 26 East,
Eddy County, New Mexico

R. 26 E.



CERTIFICATE OF SURVEY:

I, HERSCHEL L. JONES hereby certify that I am the Registered Land Surveyor who prepared the above plat from field notes of actual surveys made under my direction and that the same are true and correct to the best of my knowledge and belief

Date of Survey

MAY 18, 1973

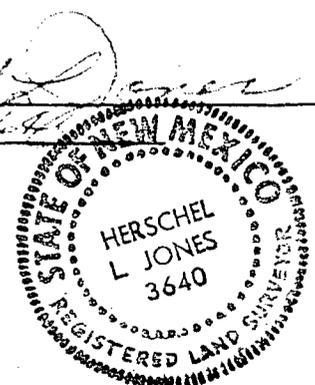
Herschel L. Jones

R. L. S. No. 3640

Scale of Plat:

1" = 300 ft

SHEARMAN AND JONES
WATER RIGHT CONSULTANTS-SURVEYORS
413 North First St.; Lovington, New Mexico 88260



May 25, 1973

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico 87501
Attention: Mr. Dan Nutter

Re: Waiver for Unorthodox
Location - David Fasken
El Paso "3" Federal No. 1
Wildcat, Eddy County,
New Mexico

Gentlemen:

We have been advised of the necessity for the location of the subject Wildcat well 2723.9' from the north line and 2780.0' from the east line of Section 3, T-21-S, R-26-E, NMPM Eddy County, to comply with the regulations of the U.S. Bureau of Reclamation controlling drilling near Avalon Reservoir and to provide a suitable drillsite.

We have also been advised that this location falls 489.1' from the north line of Lot 11 and 195.1' from the east line of Lot 11, and we understand that Lots 9, 10, 11, 12, 13, 14, 15, and 16 will be dedicated to a 320-acre standard proration unit for the subject well.

We have no objection to the drilling of this well at this location.

Yours very truly,

Inexco Oil Company

Company



By:

Dale K. Rittenhouse
Exploration Manager

TELETYPE
western union

Telegram

western union

RECEIVED
MAY 29 1973

OIL CONSERVATION COMM
Santa Fe

1973 MAY 29 AM 11:50

IPMFEKA SANA
2-013327E149 05/29/73

ICS IPMBNGZ CSP

9156831893 TDBN MIDLAND TX 134 05-29 1013A EST
PMS NEW MEXICO OIL CONSERVATION COMMISSION, FONE
PO BOX 871

SANTA FE NM 87501

ATTENTION MR DAN NUTTER REGARDING WAIVER FOR UNORTHADOX LOCATION
DAVID FASKEN EL PASO 3 FEDERAL NUMBER 1 WILDCAT EDDY COUNT NEW
MEXICO.

GENTLEMEN:

WE HAVE BEEN ADVISED OF THE NECESSITY FOR THE LOCATION OF SUBJECT
WILDCAT WELL 2723.9 FROM THE NORTH LINE AND 2780.0 FROM THE
EAST LINE OF SECTION 3 TOWNSHIP 21 SOUTH RANGE 26 EAST NMPM
EDDY COUNTY TO COMPLY WITH THE REGULATIONS OF THE UNITED STATES
BUREAU OF RECLAMATION CONTROLLING DRILLING NEAR AVALON RESEVOIR
AND TO PROVIDE A SUITABLE DRILL SITE. WE HAVE ALSO BEEN ADVISED
THAT THIS LOCATION FALLS 489.1 FROM THE NORTH LINE OF LOT 11
AND 195.1 FROM THE EAST LINE OF LOT 11 AND WE UNDERSTAND THAT
LOTS 9 10 11 12 13 14 15 AND 16 WILL BE DEDICATED TO A 320 ACRE
STANDARD PRORATION UNIT FOR THE SUBJECT WELL. WE HAVE NO OBJECTIONS
TO THE DRILLING OF THIS WELL AT THIS LOCATION.

WESTERN RESERVES OIL COMPANY PO BOX 1458 MIDLAND TEXAS BY
MR R C BEVERIDGE

1016 EST

IPMFEKA SANA