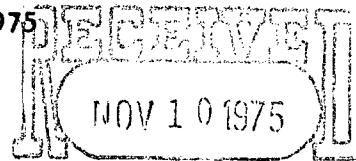


NSL-735
104 F
SOUTHERN UNION SUPPLY COMPANY
FIDELITY UNION TOWER
DALLAS, TEXAS 75201

November 7, 1975



OIL CONSERVATION COMM.
Santa Fe

*Blue return receipt of
approval from
Hutto*

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey

Enclosures enclosed

Re: Well Permit for Re-entry in Gallagher
"8" State Well, Section 8, T-17-S,
R-34-E, Lea County, New Mexico

Gentlemen:

We are presently permitted by your office to re-enter the subject well which is located 660 feet from the south and west lines of Section 8 on the acreage above referenced. In as much as we are hopeful that this well will result as a commercial gas well, we have obtained waivers from all of the adjacent leasehold operators as is required under Section B & C of Commission Rule 104, since this is an unorthodox location and we are requesting 320 acre spacing which is the W/2 of Section 8.

We are enclosing, herewith, the original of the letters in which each surrounding leasehold operator authorized this waiver along with a plat indicating the location of the re-entry well, as well as the surrounding leasehold ownership of each operator. Also attached, hereto, is four copies of your Form C-102 properly completed and executed and we heretofore furnished you with six copies of your Form C-101.

If you find all the enclosures in order, we request that you approve our unorthodox location and increase the spacing from 40 acres to 320 acres. Should you need anything further in this connection, please advise and it will receive our prompt attention.

Yours truly,

G. J. Hammond
Landman

CJH:pm
Attachments

cc: New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Attention: Mrs. Carpenter

November 4, 1975



Pennzoil Company
P. O. Drawer 1828
Midland, Texas 79701

Re: Re-entry Morrow Test (Pennzoil Oil
United, Inc. #2 Gallagher - Formerly
Monsanto #1 Gallagher) W/2 Section 8
T-17-S, R-34-E, Lea County, New
Mexico

Gentlemen:

Southern Union Supply Company proposes to re-enter the subject well and deepen same sufficient to test the Morrow formation and the time in which we are allowed to enter upon same and commence operation is very limited. The location of the old well that we propose to re-enter is situated 660 feet from the south and west lines of Section 8, T-17-S, R-34-E, Lea County, New Mexico.

Should this test result as a commercial gas well the spacing will be 320 acres which would be an unorthodox location requiring us to obtain authority from the Oil Conservation Commission of the State of New Mexico to grant an exception to the well location requirements set forth in Section B & C of Commission Rule 104.

Under these conditions, and in accordance with the regulation, we are requesting a waiver from all offset operators prior to requesting Secretary-Director approval.

If you are willing to agree to this waiver as an offset operator, please indicate your concurrence by signing and returning a copy of this letter.

Yours truly,

(See Plat Attached)

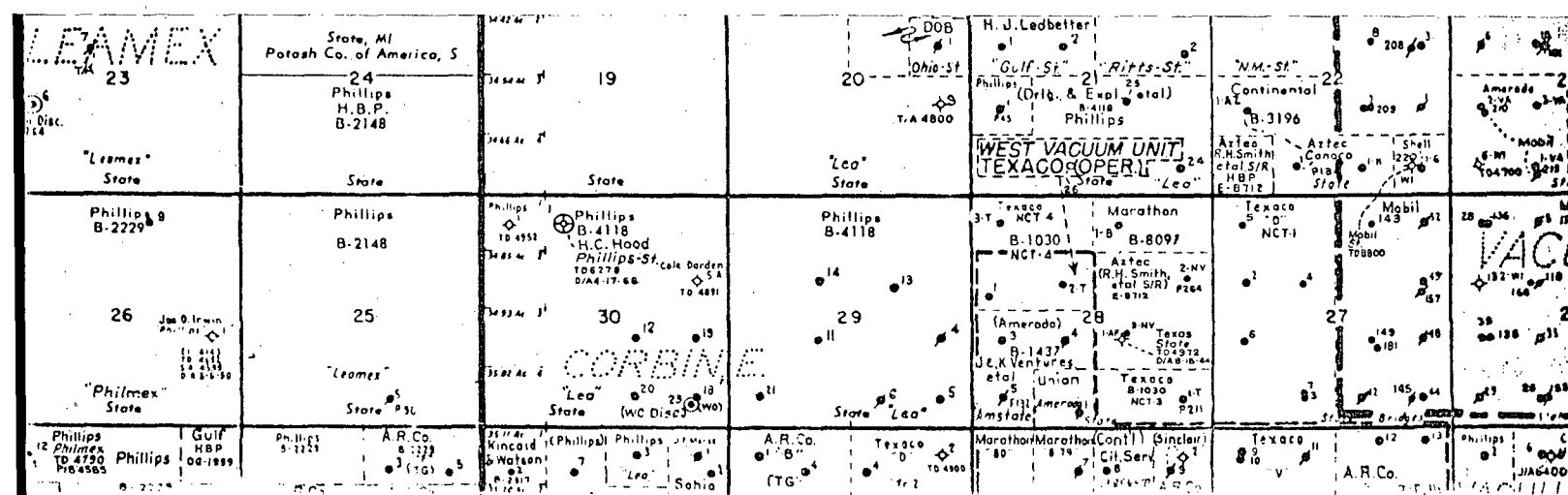
SOUTHERN UNION SUPPLY COMPANY

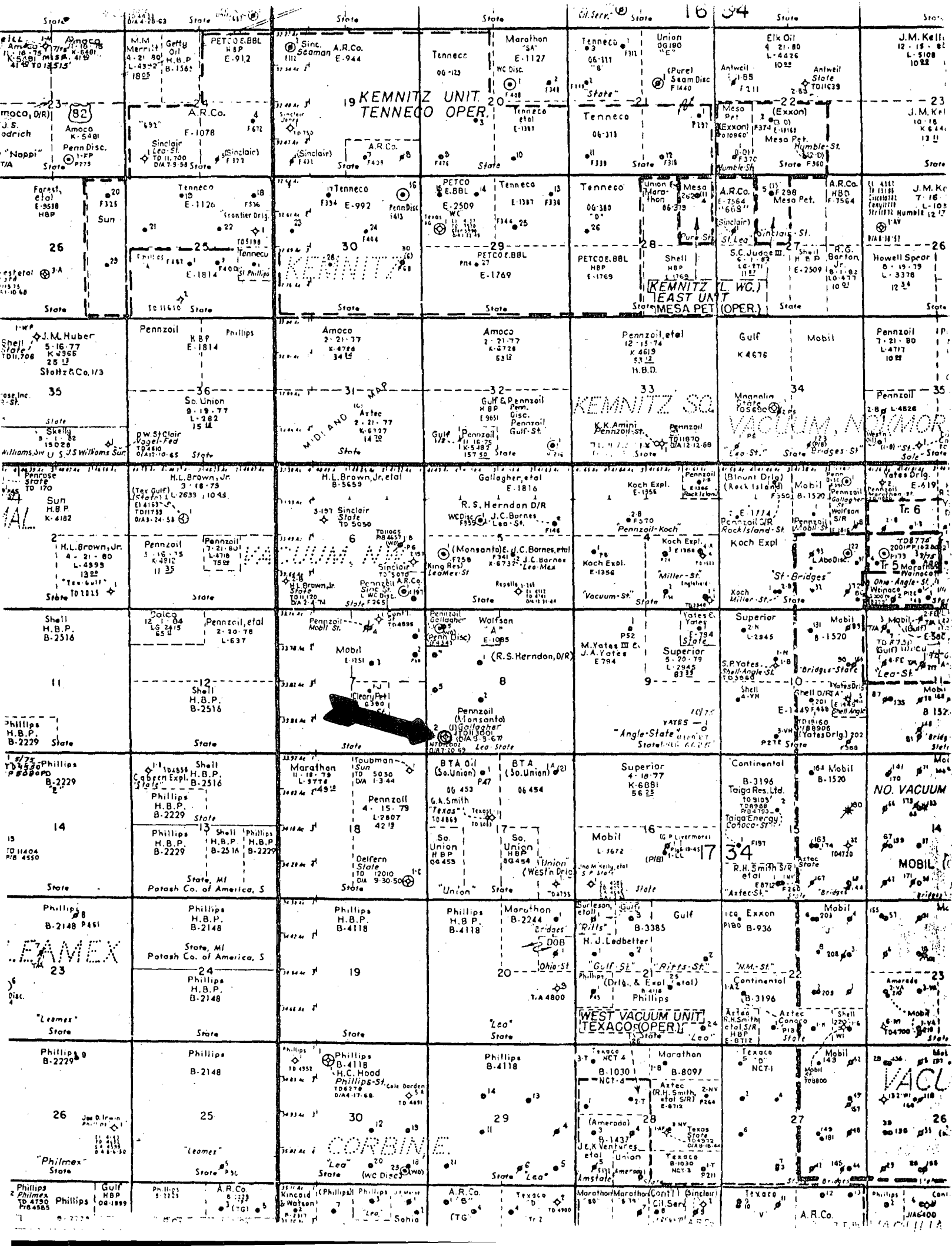
BY Roy G. Sharrock
Roy G. Sharrock

ACCEPTED this 5 day of Mar.
1975.

PENNZOIL COMPANY

BY H.W. Kellogg





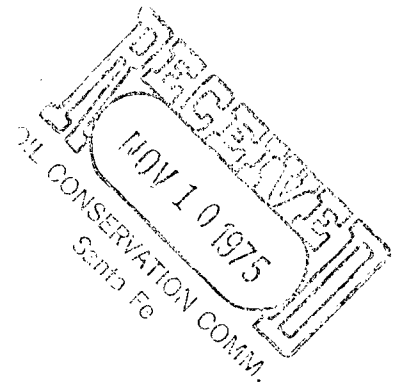
SOUTHERN UNION SUPPLY COMPANY

FIDELITY UNION TOWER

DALLAS, TEXAS 75201

November 4, 1975

Southern Union Production Company
Suite 1700, Campbell Centre
8550 North Central Expressway
Dallas, Texas 75206



Re: Re-entry Morrow Test (Pennzoil Oil
United, Inc. #2 Gallagher - Formerly
Monsanto #1 Gallagher) W/2 Section 8
T-17-S, R-34-E, Lea County, New
Mexico

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Yours truly,

(See Plat Attached)

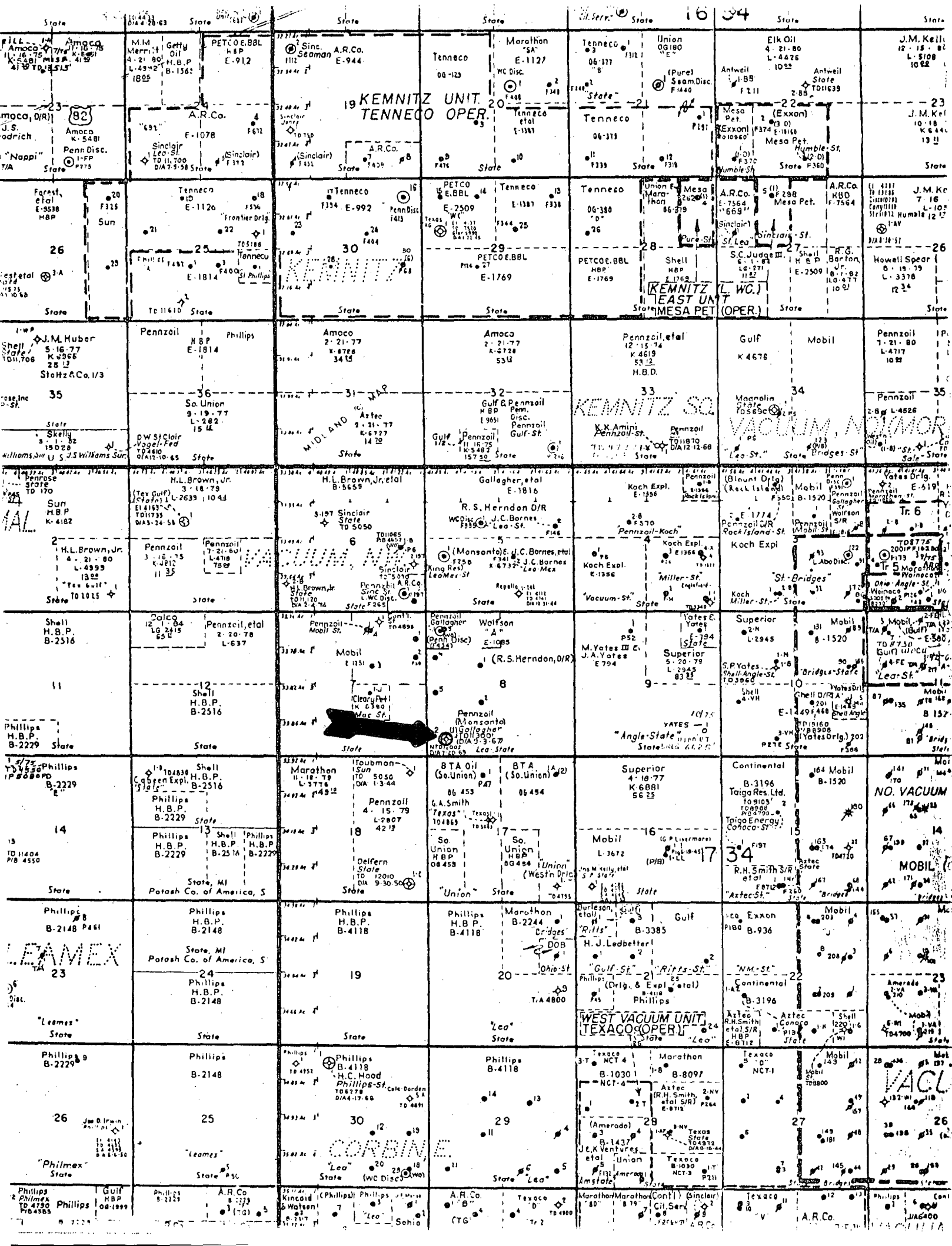
SOUTHERN UNION SUPPLY COMPANY

BY Roy G. Sharrock
Roy G. Sharrock

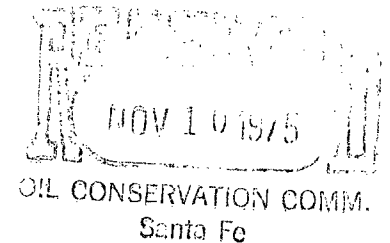
ACCEPTED this 6 day of November
1975.

SOUTHERN UNION PRODUCTION COMPANY

BY Nascoe T. Foust



SOUTHERN UNION SUPPLY COMPANY
FIDELITY UNION TOWER
DALLAS, TEXAS 75201
November 4, 1975



Mobil Oil Corporation
Wall Towers West
Midland, Texas 79701

Re: Re-entry Morrow Test (Pennzoil Oil
United, Inc. #2 Gallagher - Formerly
Monsanto #1 Gallagher) W/2 Section 8
T-17-S, R-34-E, Lea County, New
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Yours truly,

(See Plat Attached)

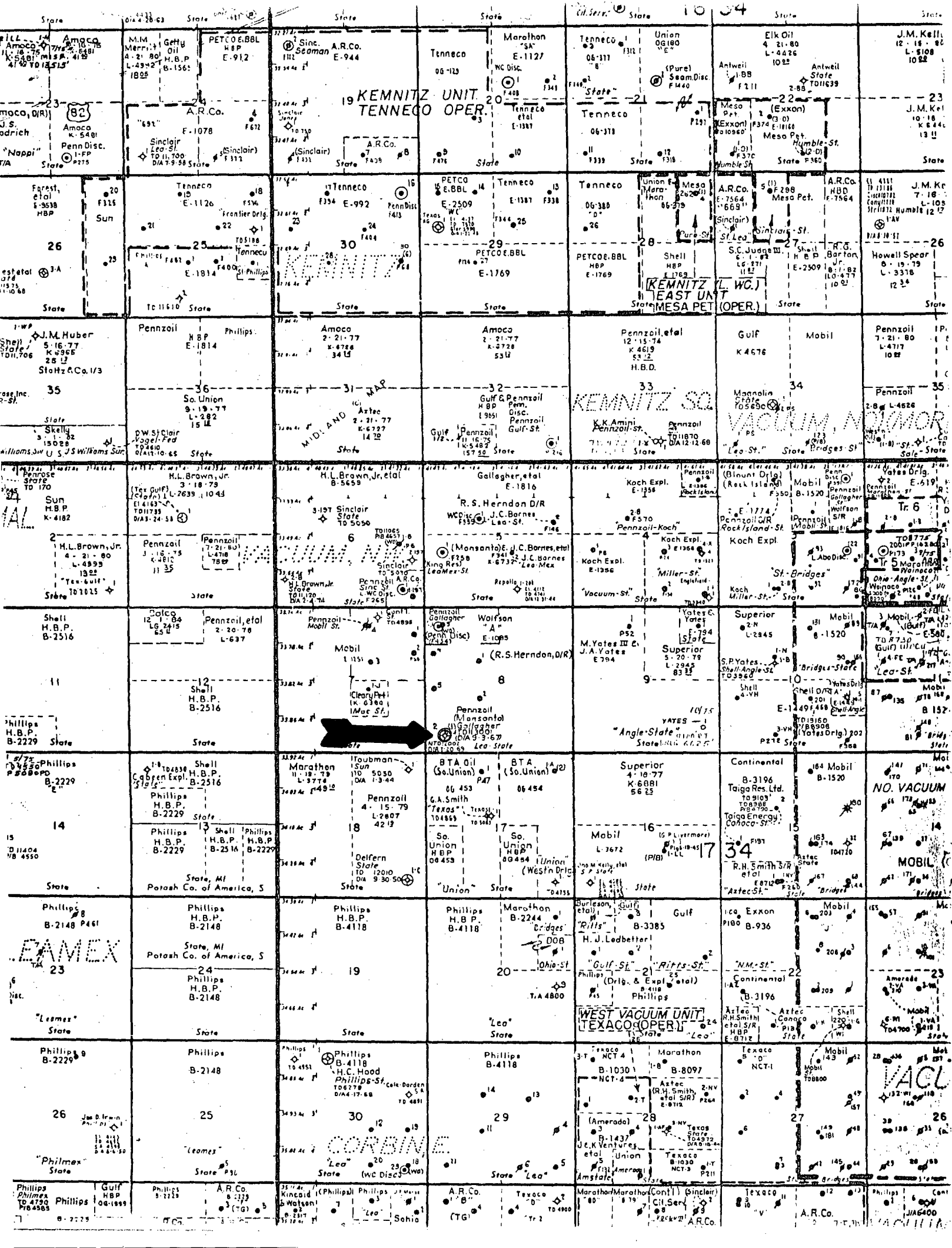
SOUTHERN UNION SUPPLY COMPANY

BY Roy G. Sharrock
Roy G. Sharrock

ACCEPTED this 5 day of Nov
1975.

MOBIL OIL CORPORATION

BY J. Adams



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-120
Effective 1-1-65

All distances must be from the outer boundaries of the Section

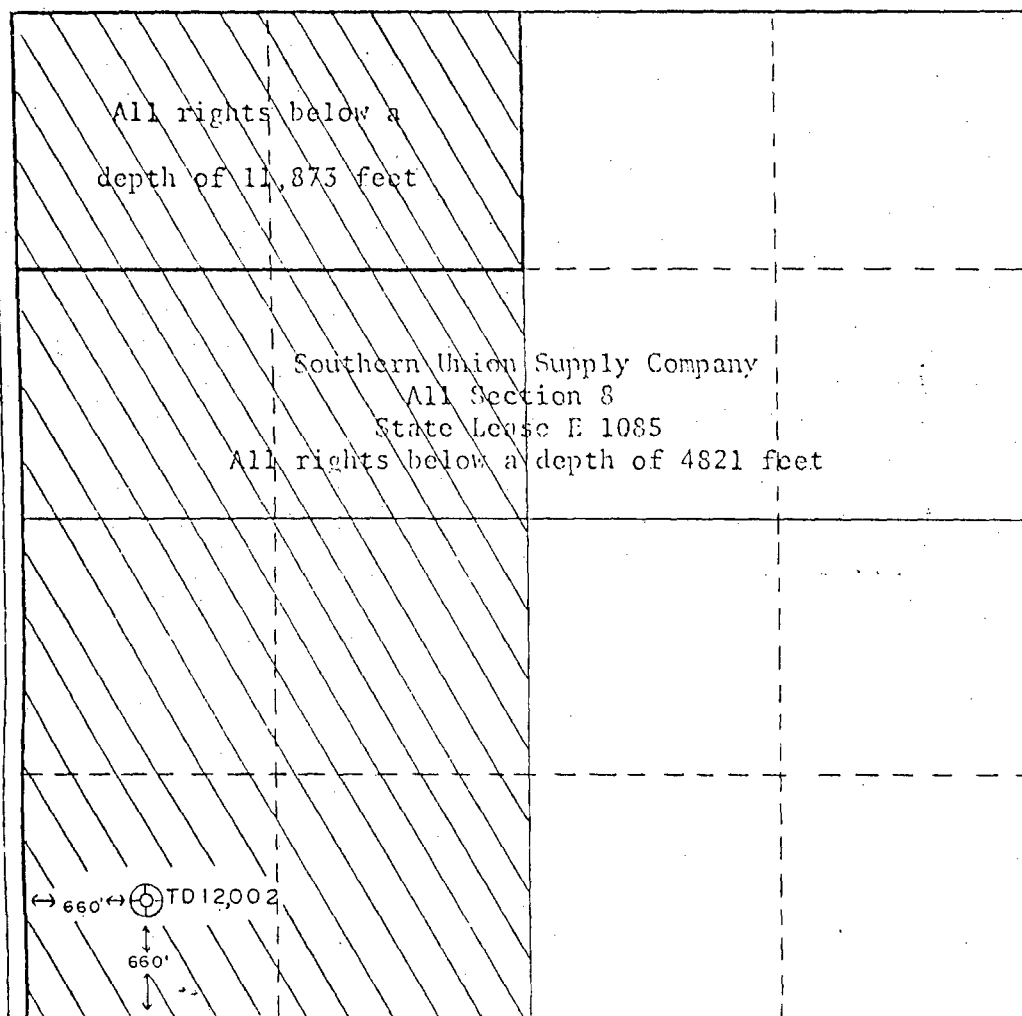
Operator Southern Union Supply Company			Lease Gallagher "8" State		
Unit Letter M	Section 8	Township 17-S	Range 34-E	County	
Actual Footage Location of Well: 660 feet from the South line and 660 feet from the West line					
Ground Level Elev. 4104	Producing Formation Morrow	Pool Undesignated		Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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). All one lease at this depth.
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.

David J. Ahalt

Name
David J. Ahalt
Position
Drilling Engineer
Company
Southern Union Supply Co.

Date
10/28/75

This is a re-entry

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

Registered Professional Engineer and/or Land Surveyor

Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0