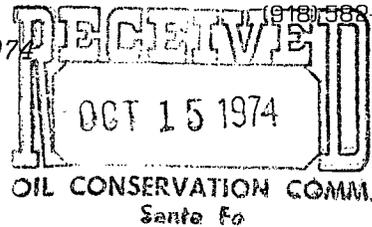




1121 FIRST PLACE / TULSA, OKLAHOMA 74103

October 11, 1974



(918) 588-1581

New Mexico Oil Conservation Commission  
State of New Mexico  
Drawer DD  
Artesia, New Mexico 88210

NSL - 689  
104 F

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

Waivers Rec'd

Re: Henri Grandi #1  
Unorthodox Drilling Location

Gentlemen:

Apexco, Inc. proposes to drill a 12,400' Morrow test 100' South of Center, Unit Letter K, Sec. 26-22S-27E, Eddy County, New Mexico.

We respectfully request an exception to the well location requirements for a 320 acre unit comprised of the West half of Sec. 26-22S-27E.

The reason for requesting a permit for the unorthodox location is to avoid disturbing the cement lined irrigation canal that runs East and West approximately 1980 feet from the end line of the unit. The location was moved South to appease the land owner and to make use of an existing access road.

Attached to this letter you will find a plat showing ownership of all leases offsetting the spacing unit for which the unorthodox location is sought. the only other well in the area is the Walterschied #1 which was drilled by Apexco, Inc., and is now operated by Cities Service.

Please note the cement line irrigation canal adjacent to our proposed location as noted on the plat.

A copy of this application for an exception to an orthodox location has been mailed by registered letter to the following:

Cities Service Oil Company  
800 Vaughn Building  
Midland, Texas 79701  
Attn: Mr. Frank Riney

Mesa Petroleum Company  
First City East Building, Suite 1414  
Houston, Texas  
Attn: R. K. Gammill

Each of the above named companies were contacted by phone on the afternoon of the 10th of October. We explained the situation concerning our request as described in this letter. Each of the above indicated they would waive all objections to the unorthodox location and would send telegrams to this effect to Mr. Jim Kapteina, Engineer and Oil and Gas Inspector, Santa Fe, New Mexico.

Those operators and/or lease holders listed above along with Apexco's interests, own approximately 85% of all the offsetting leases to our proposed location.

We hope this application meets with your immediate approval so we need not keep Marcum's drilling rig from moving on to this location. A copy of the application along with forms C-101 and C-102 has been mailed to the Artesia office of the Oil Conservation Commission of the State of New Mexico.

Sincerely yours,

APEXCO, INC.

*Tom R. Jerome*

Tom R. Jerome  
Regional Production  
Administrator

TRJ/smc

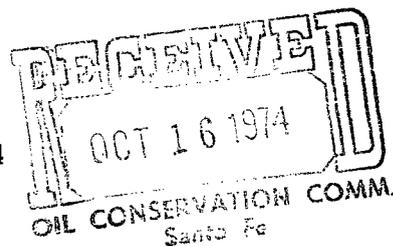
Enclosures/attachments



Union Oil Company of California

Suite 300 Security Nat'l Bank Bldg., Roswell, N. M. 88201  
Telephone (505) 622-8742

*NSL-689*



October 14, 1974

Oil Conservation Commission  
State of New Mexico  
P. O. Box 871  
Santa Fe, New Mexico 87501

Attn: Mr. Dan Nutter

Gentlemen:

Re: Apexco, Inc.  
Section 26, T22S, R27E  
Eddy County, New Mexico

In regard to unorthodox location request on the captioned, this letter will confirm Union Oil Company's phone conversation of October 11, 1974 wherein Union, as offset W.I. owner, has no objections to said location.

Very truly yours,

UNION OIL COMPANY OF CALIFORNIA

Wayne Gill  
District Land Manager

WG:js

cc: Apexco, Inc.  
330 Harvard Tower Bldg.  
Tulsa, Oklahoma 74135  
Attn: Mr. Phil Langston

TELEGRAM:

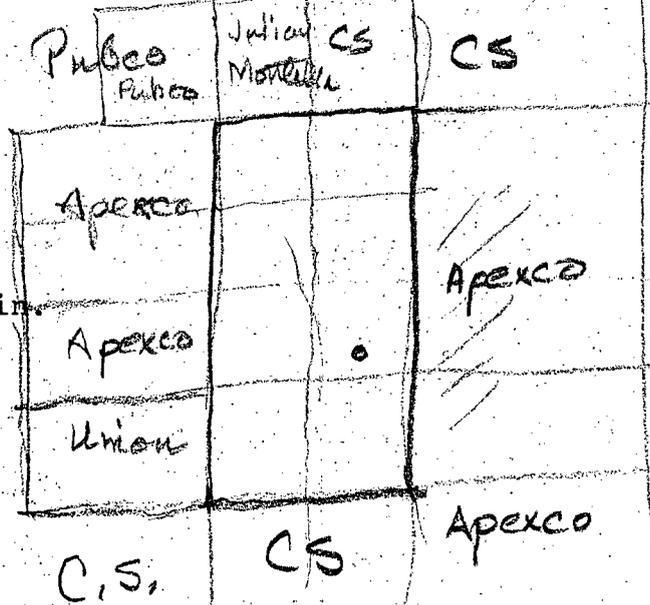
OCTOBER 10, 1974

MIDLAND, TEXAS

ATTENTION: J. E. KAPTEINA

APEXCO INC. ADVISED CITIES OF THEIR APPLICATION TO  
DRILL THEIR PROPOSED TEST AT AN UNORTHODOX LOCATION  
1980' FWL AND 1880' FSL SECTION 26, TOWNSHIP 22  
SOUTH, RANGE 27 EAST, EDDY COUNTY, NEW MEXICO.  
CITIES SERVICE OIL COMPANY HEREBY WAIVES ITS RIGHTS  
TO OBJECT TO THIS PROPOSED LOCATION.

S/ J. FRANK RINEY  
CITIES SERVICE OIL CO.



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Telegram will be mailed in.

*Tulsa*  
*9/18*  
*582 1581*  
*Mr. Jerome*  
*need waiver*  
*from Union*  
*called Jerome: NSL 689 will be issued next wk. He will call*

*3:35 pm Wayne Hill*  
*Union of Cal - Roswell*  
*waives obj by phone*  
*letter will follow*  
*He will call*

Oct 10, 1974

TELEGRAM

MIDLAND, TEXAS

MESA PETROLEUM COMPANY HEREBY APPROVES AND WAIVES  
ANY OBJECTION TO APEXCO LOCATION 100 FEET FROM SOUTH  
OF CENTER OF NE/4 SW/4 SECTION 26, TOWNSHIP 22 SOUTH,  
RANGE 27 EAST, EDDY COUNTY.

MESA PETROLEUM CO.

s/ Robert H. Northington  
Land Manager

Telegram will be mailed in.

og