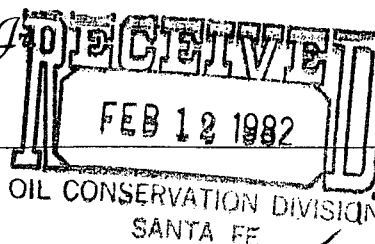


William E. Hendon, Jr.
601 N. LORAIN • SUITE 111
MIDLAND, TEXAS 79701



February 10, 1982

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

Re: Exception to well location
requirements, Rule 104 II F
New Mexico Federal "35" Lease
Lea County, New Mexico
North Lusk Morrow Gas Pool

Gentlemen:

We are requesting administrative approval of an unorthodox location on the above noted lease. A plat outlining our lease is attached. We recently re-entered the old Union of California's plugged and abandoned Shell Federal #1 well and completed it in the Morrow formation. It is our understanding from review of Union's records that this well was initially drilled to the Mississippian formation at an orthodox location.

We are notifying all offset operator's of this application by submitting copies of same to them by certified mail. A list of the operator's so notified is attached. A map reflecting ownership by offsetting operator's is also attached for reference.

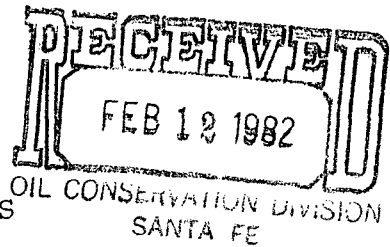
Your prompt, careful, and favorable consideration of this application is greatly appreciated.

Yours very truly,

Yolane Hartsfield
Yolane Hartsfield

*Rec'd
3-3-82*

/yh
Attachments



LIST OF OFFSETTING OPERATORS
New Mexico Federal #35 #1
Lea County, New Mexico

W. B. Yarborough
First National Bank of Midland
Suite 1800
Midland, Texas 79701

Davoil, Inc.
Ridglea Bank Building, Suite 509
Ft. Worth, Texas 76116

J. M. Huber Corp.
2000 West Loop South
Houston, Texas 77027

Lewis Burleson
P. O. Box 2479
Midland, Texas 79702

Jack Huff
P. O. Box 471
Midland, Texas 79702

O. H. Berry
Suite 188, One Marienfeld Place
Midland, Texas 79701

Harvey Yates Oil Co.
112 N. First
Artesia, New Mexico 88210

Anadarko Production Co.
P. O. Box 1330
Houston, Texas 77001

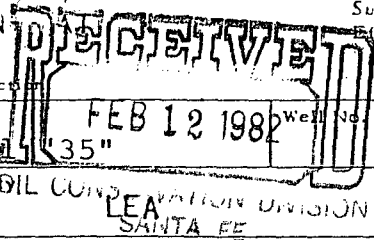
J. C. Barnes
1308 Gihl's Tower West
Midland, Texas 79701

Superior Oil Company
P. O. Box 1521
Houston, Texas 77001

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION

Form C-102
Supersedes C-128
Effective 1-1-75

All distances must be from the outer boundaries of the Section



Owner WILLIAM E. HENDON, JR.			Lease New Mexico Federal "35"			Well No. 1
Letter B	Section 35	Township 18 - S	Range 32 - E	COUNCIL COUNTY LEASING DIVISION SANTA FE		

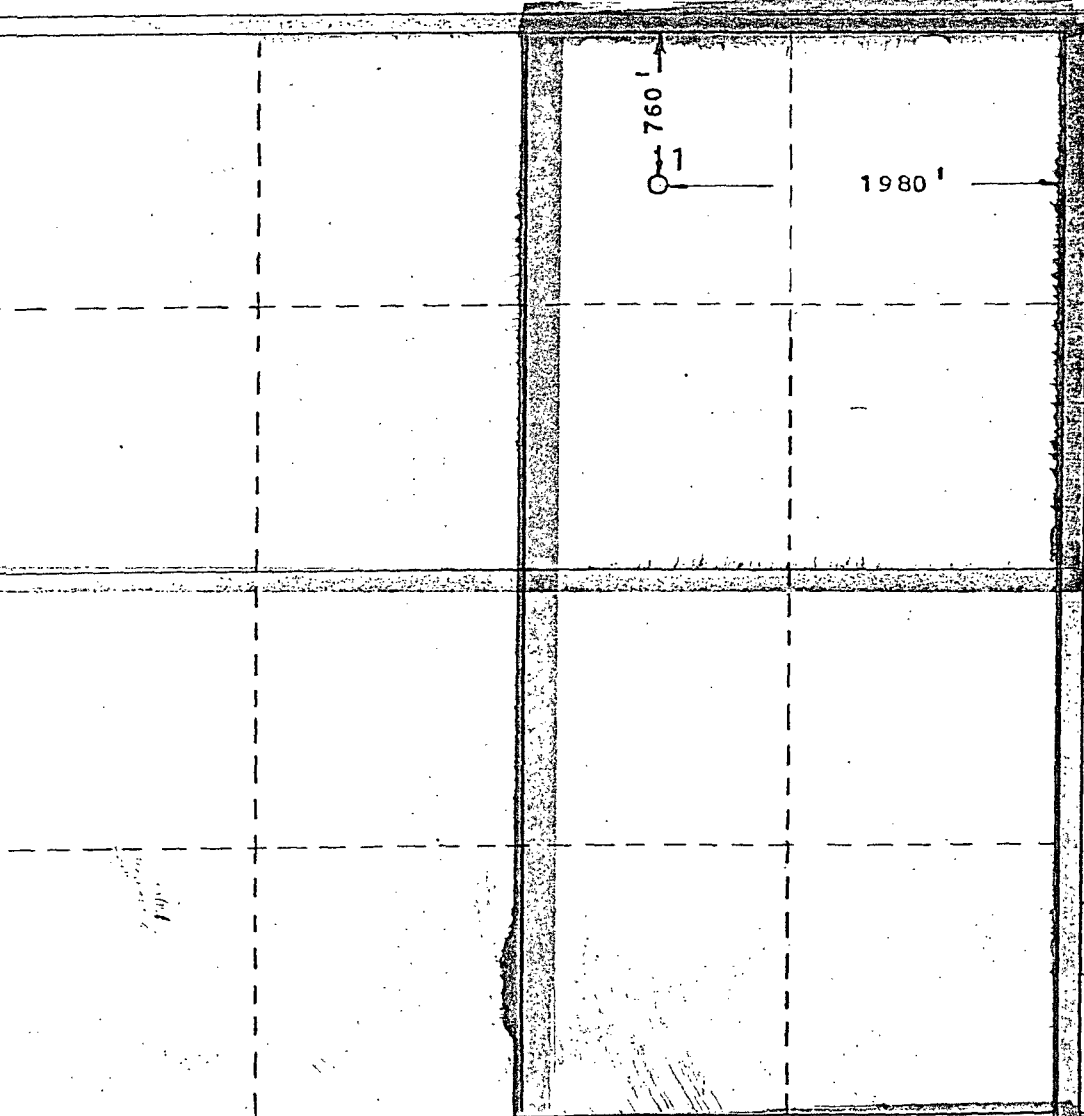
Well Footage Location of Well: 760 feet from the NORTH line and 1980 feet from the EAST line		Producing Formation Morrow	Pool North Lusk	Dedicated Acreage: 320 Acres
Well Level Elev: 29				

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). **N/A**
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? **N/A**

☐ 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.

Timothy Hartsfield

Name
Operations Engineer

Position
William E. Hendon, Jr.

Company
May 19, 1981

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
May 13, 1981

Registered Professional Engineer
and/or Land Surveyor

Merle E. Shover
Certificate No.

