

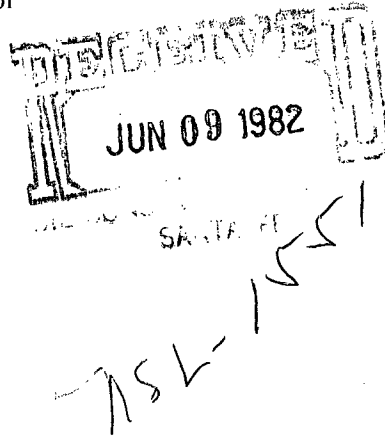
W. A. MONCRIEF, JR.

OIL PRODUCER

400 METRO BUILDING
MIDLAND, TEXAS 79701

TELEPHONE 682-1762

May 26, 1982



Mr. Joe Ramey
Division Director
New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: W.A. Moncrief, Jr.
#1 Ridge Federal
487' FNL & 1620' FWL
Section 23, T24S, R24E
Eddy County, New Mexico

Dear Mr. Ramey:

I made application to drill the above-referenced well with the Minerals Management Service on May 25, 1982. It is an unorthodox location due to extremely rough terrain.

I wish to make application under RULE 104-F for your approval to drill this unorthodox location.

Attached are three (3) copies of an ownership map showing that Moncrief owns all the offset acreage except the diagonal NW acreage which is held by Yates Petroleum.

Also attached are three (3) copies of the topog sheet showing the rough terrain and three (3) copies of a waiver letter from Yates Petroleum.

If you need additional information concerning this request, call me at 915/682-5101 or 682-1762.

Very truly yours,

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

DET:st

*Waiver from
Yates, only offset
operator. rec'd 6/9
Thornton called 6/10
gave him verbal OK*
[Signature]
*date order
6/9*

*Rec'd
6-17-82
DR*

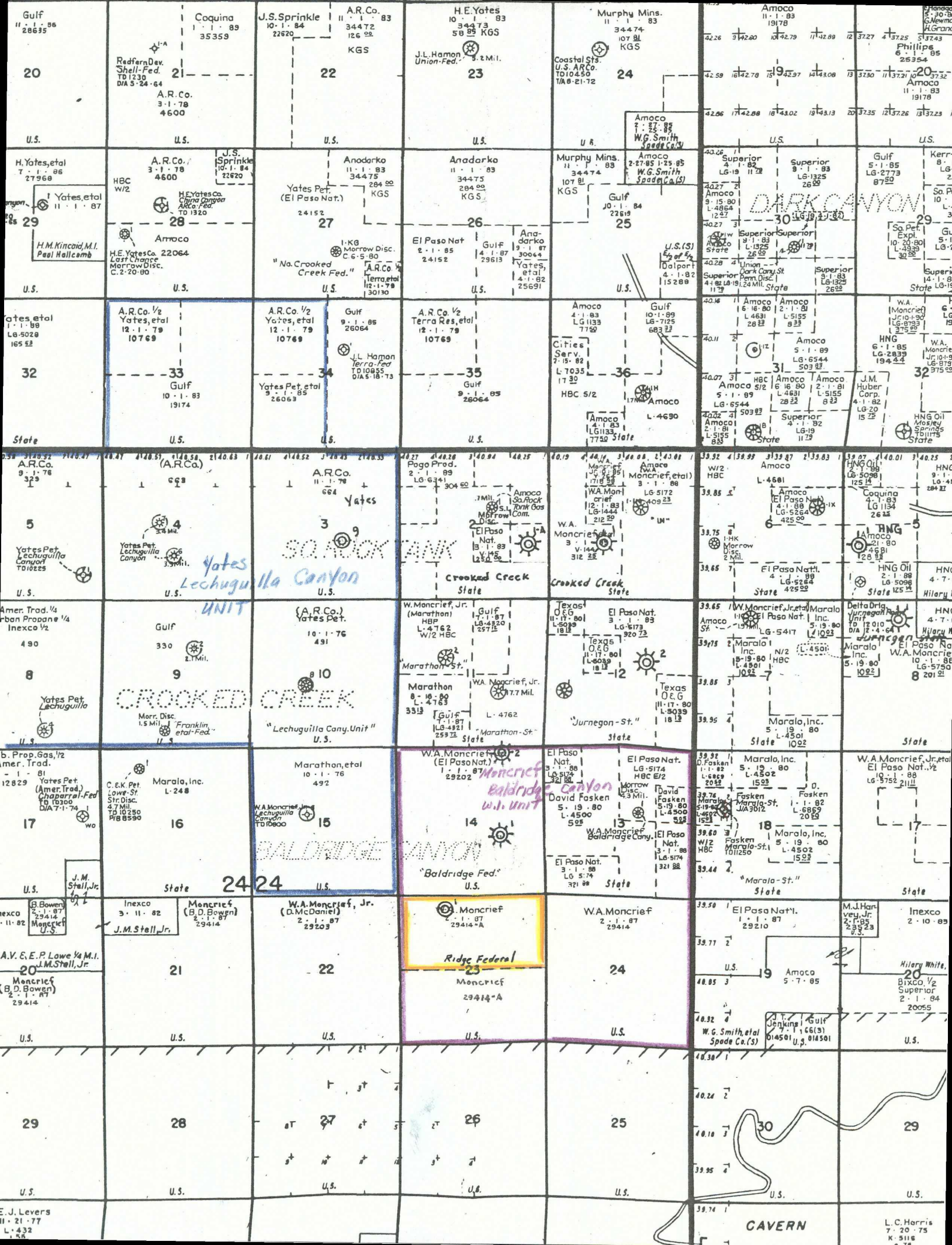


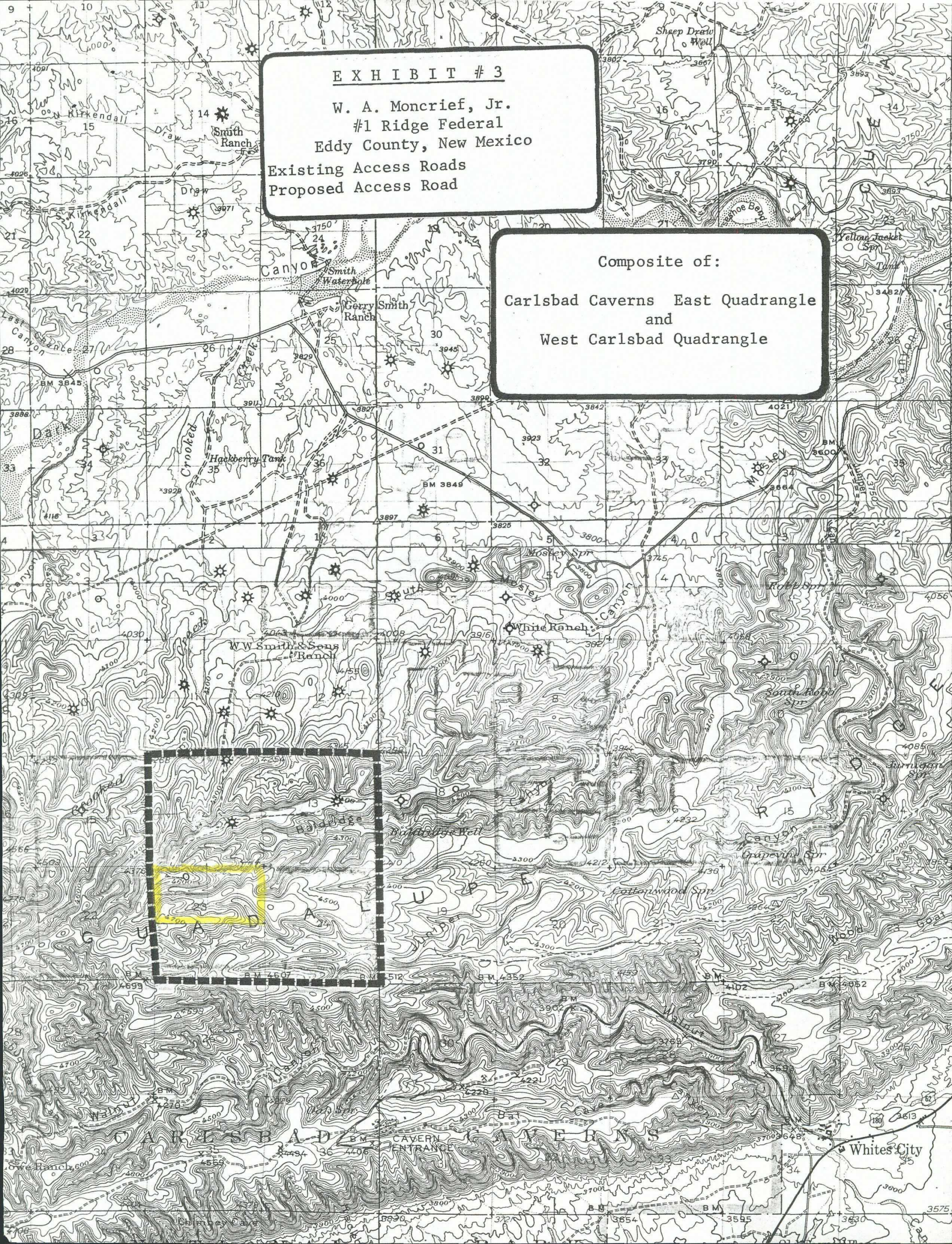
EXHIBIT # 3

W. A. Moncrief, Jr.
#1 Ridge Federal
Eddy County, New Mexico

Existing Access Roads
Proposed Access Road

Composite of:

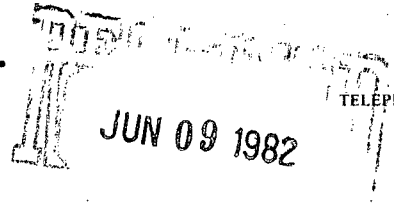
Carlsbad Caverns East Quadrangle
and
West Carlsbad Quadrangle



OIL PRODUCER

W. A. MONCRIEF, JR.

400 METRO BUILDING
MIDLAND, TEXAS 79701



TELEPHONE 682-1762

May 25, 1982

Yates Petroleum Corporation
207 South 4th St.
Artesia, New Mexico

Attention: Randy Patterson

Re: W.A. Moncrief, Jr.
#1 Ridge Federal
487 FNL & 1620' FWL
Section 23, T24S, R24E
Eddy County, New Mexico

Gentlemen:

W.A. Moncrief, Jr. proposes to drill the #1 Ridge Federal 487' FNL and 1620' FWL section 23 of T24S, R24E and plans to designate the N/2 section 23 as the 320 acre proration unit.

This is an unorthodox location for the N/2 of section 23 necessitated by extremely rough terrain.

If you as an offset operator have no objection to the drilling of this unorthodox location; please so signify by signing the waiver below and return it to me.

Very truly yours,

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

YATES PETROLEUM CORPORATION as an offset operator does not object to the drilling of the above-referenced unorthodox location.

BY: [Signature]
TITLE: VICE PRESIDENT
DATE: 5-27-82

OK-Jm

OIL PRODUCER

W. A. MONCRIEF, JR.

400 METRO BUILDING
MIDLAND, TEXAS 79701

RECEIVED
JUN 09 1982
TELEPHONE 682-1762

May 25, 1982

Yates Petroleum Corporation
207 South 4th St.
Artesia, New Mexico

Attention: Randy Patterson

Re: W.A. Moncrief, Jr.
#1 Ridge Federal
487 FNL & 1620' FWL
Section 23, T24S, R24E
Eddy County, New Mexico

Gentlemen:

W.A. Moncrief, Jr. proposes to drill the #1 Ridge Federal 487' FNL and 1620' FWL section 23 of T24S, R24E and plans to designate the N/2 section 23 as the 320 acre proration unit.

This is an unorthodox location for the N/2 of section 23 necessitated by extremely rough terrain.

If you as an offset operator have no objection to the drilling of this unorthodox location; please so signify by signing the waiver below and return it to me.

Very truly yours,

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

YATES PETROLEUM CORPORATION as an offset operator does not object to the drilling of the above-referenced unorthodox location.

BY: [Signature]
TITLE: VICE PRESIDENT
DATE: 5-27-82

OK-Jm