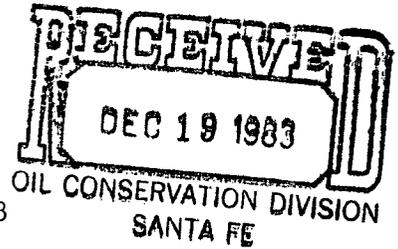


EXXON COMPANY, U.S.A.
POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702

PRODUCTION DEPARTMENT
MIDCONTINENT DIVISION



December 14, 1983

Unorthodox Location Request
Panos Federal #1 1980' FNL 660' FEL
Section 1, T19S, R23E
Eddy County, New Mexico

Undesignated Antelope Sink pool
NSL - 1784
Immediate
Rule 104 FI
Federal

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

Gentlemen:

Please grant administrative approval for an unorthodox location for the above well. The Panos Federal Com. #1 was completed May 5, 1982 as a Morrow gas well with a proration unit composed of the East half of Section 1.

Exxon proposes to plug back from the Morrow to the Upper Penn and to change the proration unit from the East half to the North half of Section 1. The well is located 1980' FNL and 660' FEL of Section 1, an unorthodox location for a North-half proration unit.

Attached are Form 9-331C, Application for Permit to Drill, Deepen or Plug Back, Form C-102, Well Location and Acreage Dedication Plat, a plat and a waiver showing the offset operators.

The offset operators are being notified by certified mail of the application to complete this well at an unorthodox location. If you as an offset operator have no objection to this application, we request that you execute the attached waivers. Please forward a copy to the New Mexico Oil Conservation Commission, P.O. Box 2088, Santa Fe, New Mexico 87501, and return a copy to this office.

The offset operators are:

Cities Service Co., P.O. Box 1919, Midland, Texas 79702

Superior Oil Co., Midland Exploration Division, P.O. Box 1900, Midland, Texas 79701

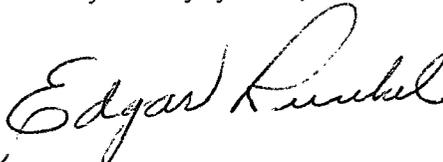
Texas Oil and Gas Corp., 900 Wilco Bldg., Midland, Texas 79701

Gulf Oil Corp., P.O. Box 1150, Midland, Texas 79702

Franklin, Aston & Fair Oil Co., P.O. Box 1756, Roswell, New Mexico 88201

Kaiser-Francis Oil Co., P.O. Box 35528, Tulsa, Oklahoma 74135

Very truly yours,


for Melba Knipling
Unit Head
NGPA and Permits

CH:cc
Attachments

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

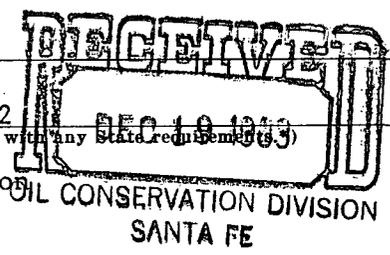
1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Exxon Corporation

3. ADDRESS OF OPERATOR
 P.O. Box 1600, Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
 At surface 1980' FNL & 660' FEL of Section
 At proposed prod. zone



14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 10 miles SE of Hope

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 660' 660'
 16. NO. OF ACRES IN LEASE 723.49
 17. NO. OF ACRES ASSIGNED TO THIS WELL 320.22

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. None 7778'
 20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3811' GR
 22. APPROX. DATE WORK WILL START* Upon Approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54#	322'	475 sx
12 1/2"	8 5/8"	32#	1709'	1250 sx
7 7/8"	5 1/2"	15.5, 17#	8612'	1115 sx

The above well was originally drilled to a total depth of 8700' and was completed as a Morrow gas well (7936-8008') on May 5, 1982. Exxon proposes plugging back to 7778'. The Upper Penn will be perforated from 6307-6458'.

Attached is the procedure for plugging back the Morrow formation and recompletion in the Upper Penn. Also attached are wellbore sketches. Approval to plug back was granted on 12-9-83 by P.W. Chester, BLM-Roswell. After approval, it was decided to change the proration unit from the east half to the north half. Since the location is irregular for a north-half proration unit, a request has been made to the NMOCC for an unorthodox location. A copy of that request and a corrected plat is attached.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Edgar Kunkel TITLE Unit Head DATE 12-14-83

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Exxon Lse. No. _____

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-102
Supersedes C-128
Effective 1-1-65

State Lse. No. _____

WELL LOCATION AND ACREAGE DEDICATION PLAT

Federal Lse. No. _____

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

Operator Exxon Corporation		Lease Panos Federal		Well No. 1
Unit Letter H	Section 1	Township 19S	Range 23E	County Eddy

Actual Footage Location of Well:
1980 feet from the **North** line and **660** feet from the **East** line

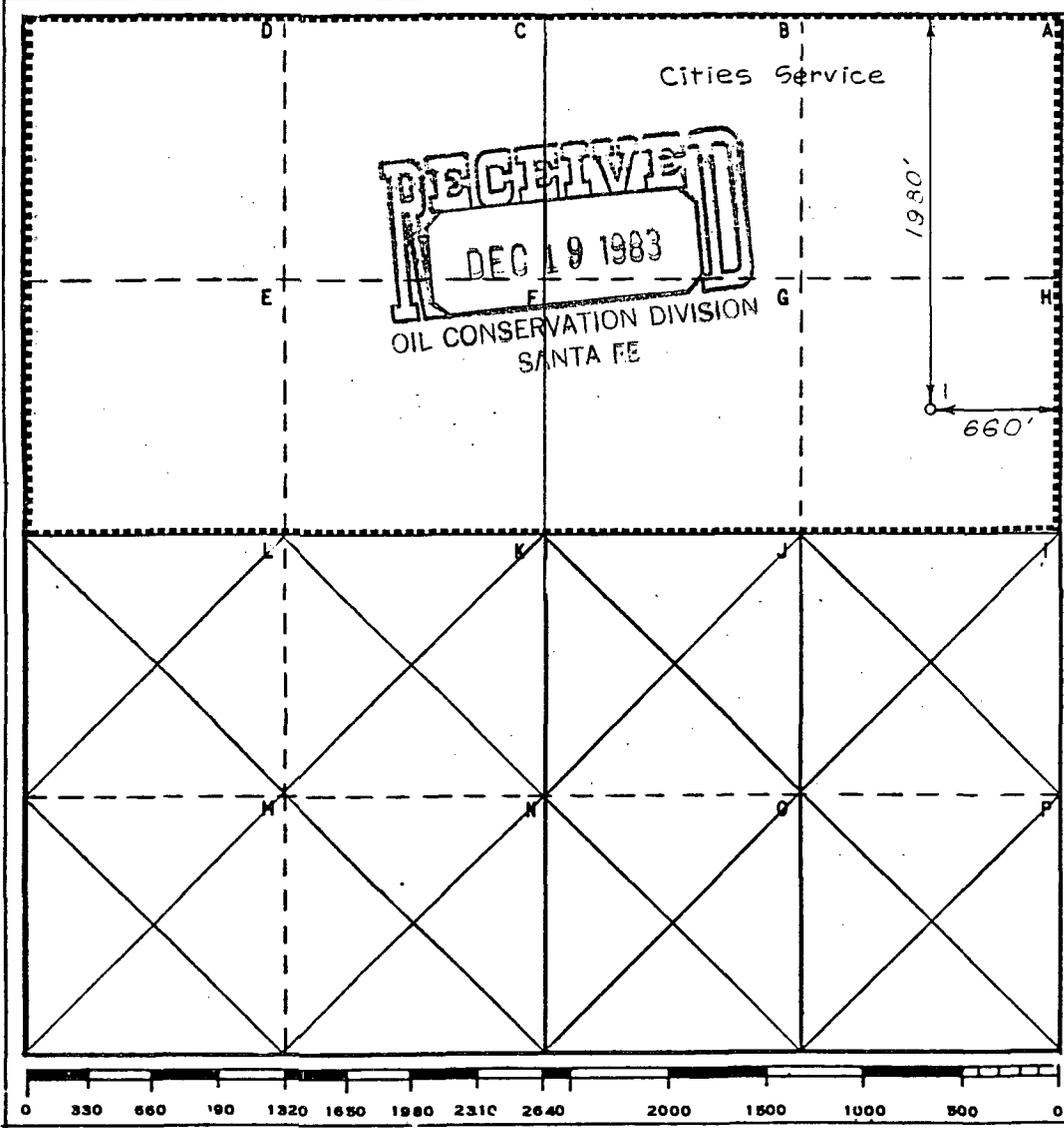
Ground Level Elev: 3811' ±	Producing Formation Upper Penn.	Pool Undesignated-Antelope Sink	Dedicated Acreage: 320.22 Acres
--------------------------------------	---	---	---

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 _____

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: Edward Kunkel
 Position: Proration Specialist
 Company: Exxon Corporation
Box 1600 Midland, Texas
 Date: 12-14-83

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: 11-4-81
 Registered Professional Engineer and Land Surveyor
John Wallis
 Certificate No. 8699

21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36

State U.S. Northern Nat. Gas 1/2 Pubco 3-1-80 10889 Yates Pet. etal 7-1-86 LG-3852 781 Annamarie Duncan 3-1-82 14979 Texas Pacific 2-1-85 23757 Gulf 9-1-86 28158 Yates Pet. 2-1-86 LG-3978 10331

ANTELOPE SINK NO.

State U.S. Pubco 7-1-79 9804 Na. Nat. Gas. 1/2 Yates Pet. 7-1-82 16065 Texas O&G 12-17-78 L-1895 55¢ Texas O&G 12-17-78 L-1895 55¢ Franklin etal 10-30-77 63827 63828 64206 64

Tr. Ac-146-81(E)
Cities Service to assign.
to Exxon subject to
letted dated 9-29-81

Panos Fed. Com.
opr. Exxon
Exxon 47.1645%
to base of Morrow

State U.S. Yates Pet. etal 12-1-80 12676 U.S. Pubco 3-1-80 10889 Northern Nat. Gas 1/2 Gulf 6-1-83 18478 Texas O&G 12-17-78 L-1895 55¢ Nuclear Corp. 7-1-84 21758 Cities Serv. 1-1-82 14747

Cities Serv. 1-1-82 14747
Kaiser Franke
Sequest Draw
To base Morrow Fm.
Opp. Exxon-52.6527%

State U.S. Superior HBP 3129426 Texas Amer. to 8715' Superior HBP 3129426 Texas Amer. 60% to 8715' Texas Amer. to 8715' Texas Amer. Morrow Disc 11 Mil

State U.S. Yates Pet. etal 12-1-85 26968 Cayman Corp. 11-19-78 L-1609 6 21 Yates Pet 11-1-84 LG-2351 2625 J.L. McClellan 3-1-83 LG-1082 434

Antelope Sink
Sequest Draw

State U.S. Texas O&G 8-1-82 LG-464 302 Texas O&G 8-1-82 LG-464 302 Resler E. Shaden 10-22-77 645618-06 7-1-86 Pt. of 480 Ac. Sun 8-790L Cities Serv. 11-19-79 4792 5230

ANTELOPE SINK

State U.S. Mesa Pet. 7-1-80 LG-5539 183 33 Cities Service 6-1-86 21154 635822-06 9-1-86 Mesa Pet. 9-1-86 LG-5743 1668 Gulf 4-1-88 LG-2720 14688

State U.S. Texas O&G 8-1-82 LG-464 302 Texas O&G 8-1-82 LG-464 302 Resler E. Shaden 10-22-77 645618-06 7-1-86 Pt. of 480 Ac. Sun 8-790L Cities Serv. 11-19-79 4792 5230

State U.S. Yates Pet. 7-1-86 LG-3852 781 Annamarie Duncan 3-1-82 14979 Texas Pacific 2-1-85 23757 Gulf 9-1-86 28158 Yates Pet. 2-1-86 LG-3978 10331

W A I V E R

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

Attention: Mr. Joe Ramey

Gentlemen:

This is to advise that the undersigned has been given due notice that Exxon Corporation has made application for an unorthodox location and non-standard proration unit for Panos Federal #1 in the Upper Penn formation.

We hereby waive any objection to the granting of this application for the above well to be located:

Panos Federal #1, 1980' FNL and 660' FEL of Section 1, T19S, R23E, Eddy County, New Mexico.

Executed this _____ day of _____, 1983.

Company _____

By _____