

Release February 20, 1985

By DC

ARTHUR R. BROWN

PETROLEUM ADMINISTRATIVE SERVICES

Agent for Worth Petroleum Company

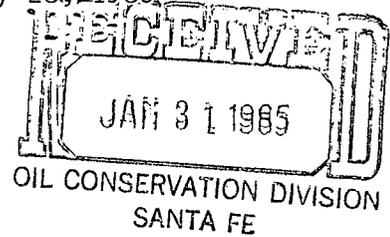
101 E. Marland, Suite 105
Hobbs, New Mexico 88240

*NSL-1990
RUE-104F(E)*

Office Phone (505) 397-2767
Home Phone (505) 392-5642

*No. 3 Worth Federal
2265 FNL & 1550 FEL Section
22, T-26S, R-29E.
Dedicated Acreage - 40 acres
SW1/4 NE1/4.*

January 28, 1985



Director
Oil Conservation Division
New Mexico Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Administrative
Approval of Unorthodox Oil Well
Location

Gentlemen:

Worth Petroleum Company, P.O. Box 17406, Fort Worth, Texas 76102, hereby respectfully requests administrative approval of an unorthodox oil well location, because of topography, for well No. 3 Worth Federal, (~~Brushy Draw Delaware Pool~~), to be located 2265 feet from the north line and 1550 feet from the east line of Section 22, T.26 S., R.29 E., Eddy County, New Mexico.

This well is a proposed 5200 foot Delaware oil test on Federal oil and gas lease NM-21767. The SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 22 is to be dedicated to the well. It may be noted that this oil well location is unorthodox only because it is closer than 1650 feet to the east line of Section 22.

Exhibit "A", attached, is a portion of a topographic map (Ross Ranch Quadrangle) showing the proposed unorthodox well location. Added to the plat is the location of an existing drainage, more evident now than when the topo map was prepared, on the west side of the proposed location and extending from Eddy County Road 725 in a northwesterly direction to Brushy Draw. Top soil in the area is unconsolidated and susceptible to erosion, and as a result, this drainage is 4 to 5 feet deep and 10 to 20 feet wide.

At a regular location staked 2265 feet from the north line and 1650 feet from the east line of Section 22, the well location is only about 50 feet from the east edge of the above mentioned drainage. To move the location south is uphill and only increases the amount of cut necessary to build the drilling pad. To move the location west would require moving the location at least 200 feet to clear the west side of the drainage, and a well location here, according to the Bureau of Land Management, would be too close to Brushy Draw, a significant wildlife habitat in the area.

100' East of standard

In selecting the most practical alternate drill site, the well location was moved 100 feet east to be a sufficient distance from the drainage to build the drilling pad. At this selected drill site, located 2265 feet from the north line and 1550 feet from the east line of Section 22, cut and fill is at a minimum, and the well location is sufficiently distant from Brushy Draw to satisfy the Bureau of Land Management's requirements.

Exhibit "B" is a plat showing ownership of the lease offsetting the proration unit for which the unorthodox location is sought as well as wells completed thereon.

All operators offsetting the proration unit are being notified by Certified Mail of this application and are being asked to furnish waivers. A list of the names and addresses of such operators or owners, to whom notice is being mailed as of this date, is attached as Exhibit "C".

Sincerely,

A handwritten signature in cursive script, appearing to read "Arthur R. Brown", with a long horizontal flourish extending to the right.

Arthur R. Brown, Agent for
WORTH PETROLEUM COMPANY

ARB/bb

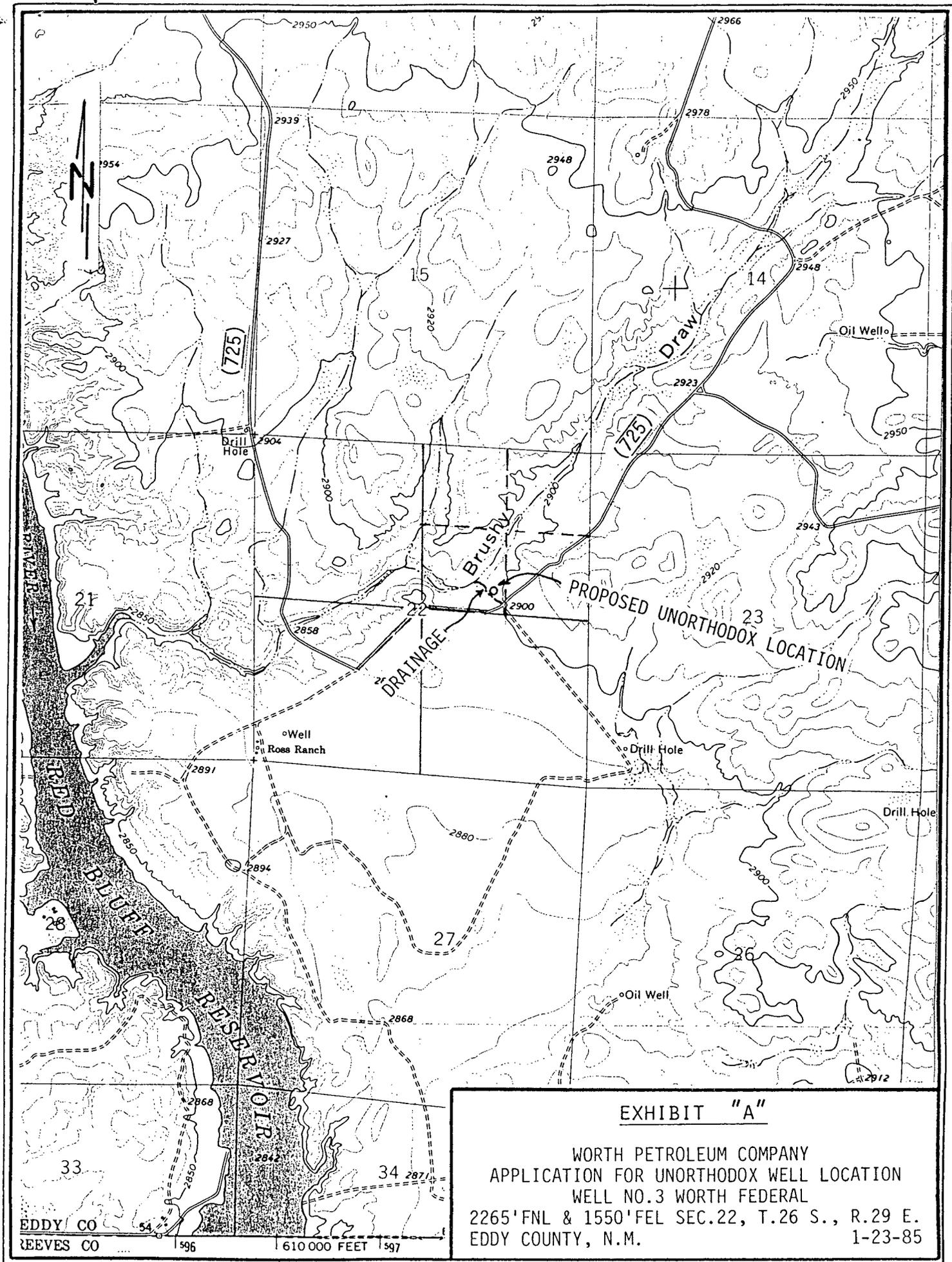
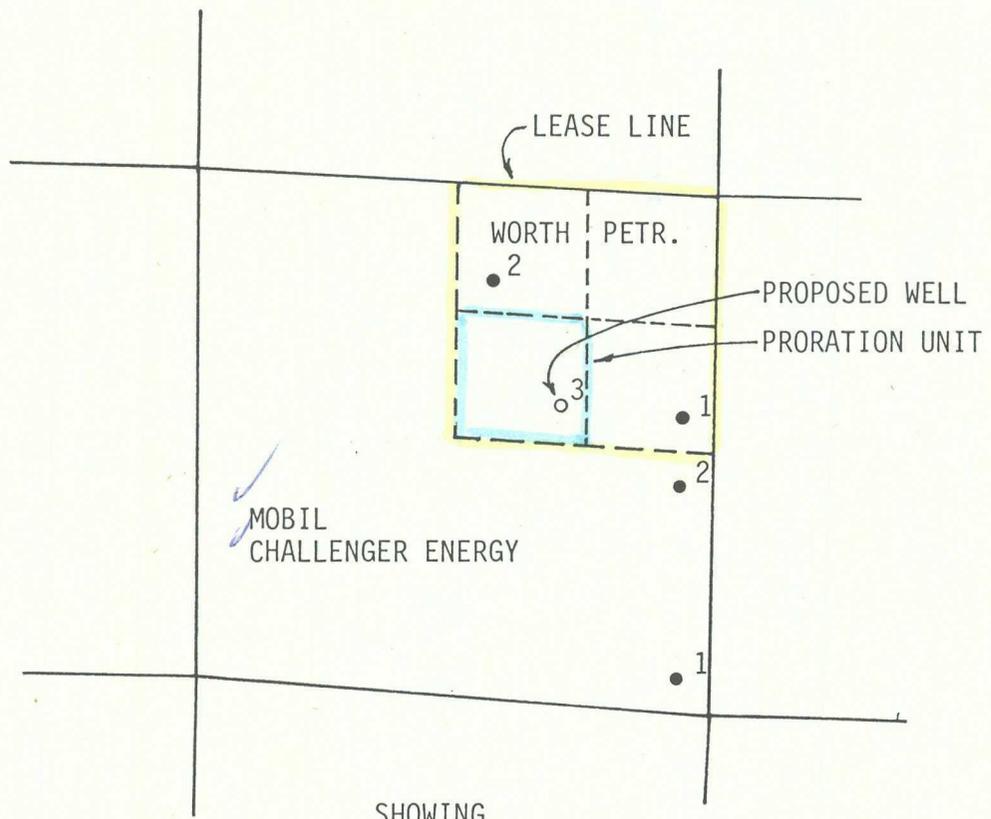


EXHIBIT "A"

WORTH PETROLEUM COMPANY
 APPLICATION FOR UNORTHODOX WELL LOCATION
 WELL NO.3 WORTH FEDERAL
 2265'FNL & 1550'FEL SEC.22, T.26 S., R.29 E.
 EDDY COUNTY, N.M. 1-23-85



SHOWING
 SECTION 22, T.26 S., R.29 E.,
 EDDY COUNTY, NEW MEXICO

EXHIBIT "B"

WORTH PETROLEUM COMPANY
 APPLICATION FOR UNORTHODOX WELL LOCATION
 WELL NO.3 WORTH FEDERAL
 2265'FNL & 1550'FEL SEC.22, T.26 S., R.29 E.
 EDDY COUNTY, N.M. 1-23-85

OWNERS OFFSETTING SW¼NE¼ SEC.22, T.26 S., R.29 E.,
EDDY COUNTY, NEW MEXICO

✓
Challenger Energy, Inc.
P. O. Box 1262
Artesia, New Mexico 88210

✓
Mobil Producing Texas & New Mexico, Inc.
P. O. Box 633
Midland, Texas 79702

EXHIBIT "C"

WORTH PETROLEUM COMPANY
APPLICATION FOR UNORTHODOX WELL LOCATION
WELL NO.3 WORTH FEDERAL
2265'FNL & 1550'FEL SEC.22, T.26 S., R.29 E.
EDDY COUNTY, N.M. 1-23-85