

Release April 8, 1986

B4 DRC

UNITED BANK PLAZA
400 N. PENN, SUITE 1000

PHONE 505 622-3770

CHARLES B. READ
PRESIDENT

NORMAN L. STEVENS, JR.
VICE-PRESIDENT

Read & Stevens, Inc.

Oil Producers

P. O. Box 1518

Roswell, New Mexico 88201

March 18, 1986

NSL- 2256
ROLI-104 F(I)

New Mexico Oil Conservation Commission
Attention: Mr. R.L. Stamets
Post Office Box 2088
Santa Fe, New Mexico 87501

Laguna Valley Morrow Gas
Pool. 320 Acre ded
E/2 Section 15

Re: Unorthodox Location

Laurie "D" Federal #1
660' FNL & 990' FEL
Section 15-T20S-R34E
Eddy County, New Mexico

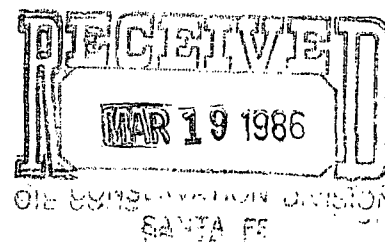
Dear Sir:

The Laurie "D" Federal #1 was originally permitted and drilled at a standard location for a Devonian or Morrow well to be a part of the Lea Pennsylvanian or Lea Devonian field. In July the New Mexico Oil Conservation Commission approved order number R-7830-A, which limits the 160 acre spacing rule only to the Lea Penn field and wells outside the Lea Penn field are on statewide spacing, of 320 acre spacing units.

The Laurie "D" Federal #1 lies outside the Lea Penn gas pool and, therefore, is on statewide spacing rules of 320 acres. Because the well was permitted at a standard location for a 160 acre spacing unit, it is now an unorthodox location for a 320 acres spacing unit. We wish to dedicate the east half of Section 15-T20S-R34E to the Laurie "D" Federal #1. The east half is a common lease with common partners and royalties.

All offset operators have been notified by Certified Mail of this application for an unorthodox location. Their ownership and addresses are as follows:

<u>Ownership</u>	<u>Address</u>
SE/4 Section 10	Read & Stevens, Inc. P.O. Box 1518, Roswell, NM 88202
SW/4 Section 10	Estoril Production Co. 400 W. Illinois Suite 1600, Midland, TX 79701
NW/4 Section 15	Read & Stevens, Inc.
N2/SW&SE/SW Section 15	Read & Stevens, Inc.
N/2 Section 22	Sun Exploration Co. P.O. Box 1861, Midland, TX 79702-9970
N2/NW Section 23	Merridian Oil Co. 21 Desta Drive, Midland, TX 79705
SW/4 Section 14	Merridian Oil Co.
NW/4 Section 14	Kaneb Production Co. 400 Wilco Bldg, Midland, TX 79701
SW/4 Section 11	National Coop. Refining Assoc. 2215 Wilco Bldg, Midland, TX 79701

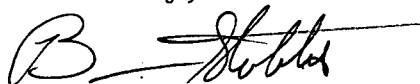


Read & Stevens, Inc.

NMOCC
R.L. Stamets
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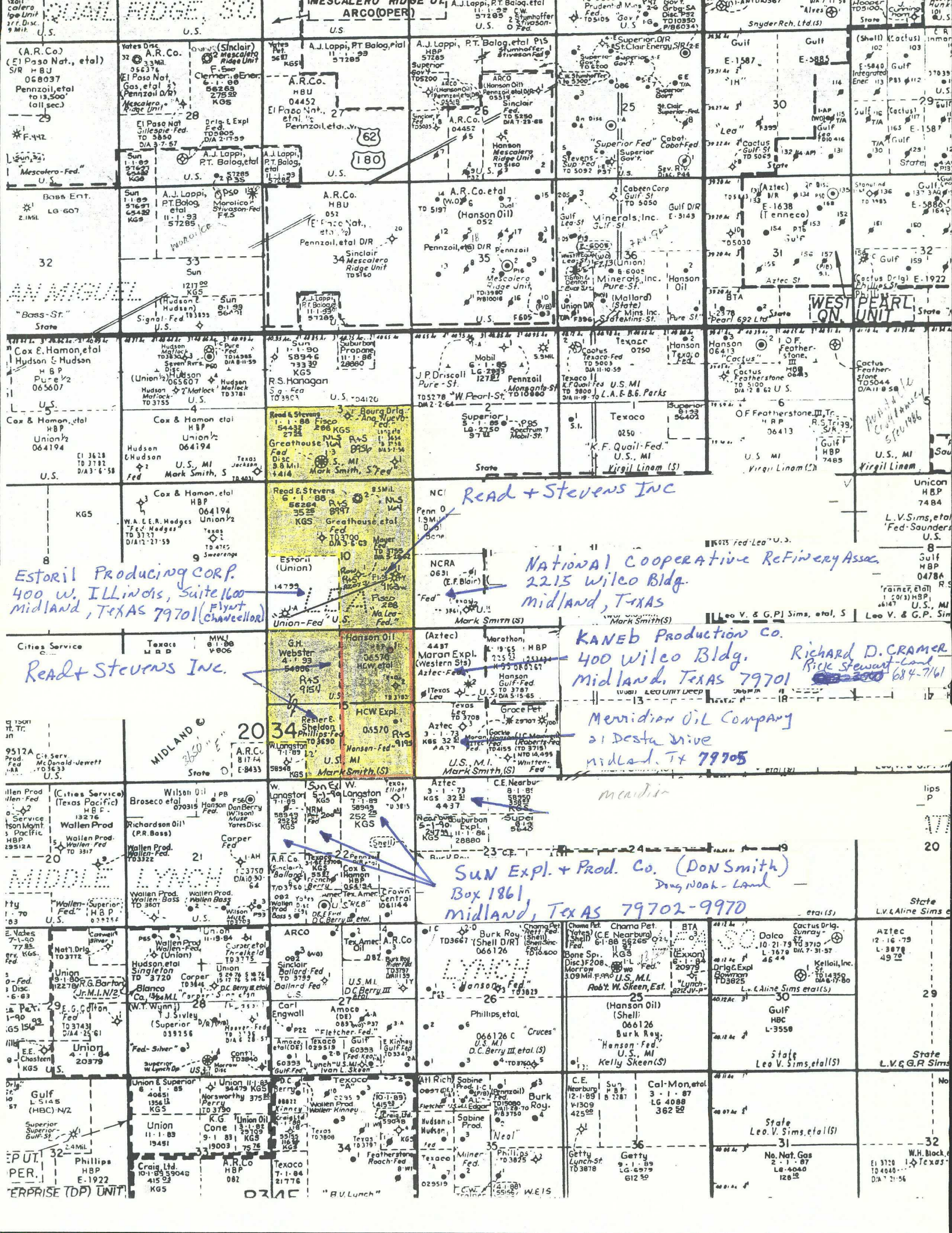
We respectfully request administrative approval of the application for an unorthodox location for the Laurie "D" Federal #1. If I can answer any questions concerning this well, please call me at 622-3770.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Stubbs", with a long horizontal flourish extending to the right.

Bruce Stubbs
Drilling & Production Manager

BS/tb
enclosures



Estoril Producing Corp.
400 W. ILLINOIS, Suite 1600
Midland, TEXAS 79701 (Flynt
Chancellor)

Read + Stevens Inc.

Read + Stevens Inc

National Cooperative Refinery Assoc.
2215 Wilco Bldg.
Midland, TEXAS

Kaneb Production Co.
400 Wilco Bldg.
Midland, TEXAS 79701
Richard D. CRAMER
Rick Stewart-Land
684-7161

Meridian Oil Company
21 Dista Drive
Midland, Tx 79705

Sun Expl. + Prod. Co. (Don Smith)
Box 1861
Midland, Texas 79702-9970

Leo V. Sims, et al (S)

Leo V. Sims, et al (S)

Leo V. Sims, et al (S)

W.H. Block, et al (S)

