

Release Date: 10-19-87

By DRC

T. H. McELVAIN OIL & GAS PROPERTIES

T. H. McELVAIN, JR., MANAGER

220 SHELBY STREET

P. O. Box 2148

SANTA FE, NEW MEXICO 87504-2148

TELEPHONE 982-1935

AREA CODE 505

CATHERINE B. McELVAIN

CATHERINE M. HARVEY

T. H. McELVAIN, JR.

September 24, 1987

OIL CONSERVATION DIVISION

NSL-2418  
RULE-104(AI)  
Escrito-Gallup Pool  
So. Associated S/2 well  
"Hand Delivered"  
Section  
36

RECEIVED

Mr. William J. Le May, Director  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Re: Application by T. H. McElvain Oil & Gas  
Properties for approval of an unorthodox oil  
well location in the Escrito Gallup Field under  
New Mexico State Oil & Gas Lease #E-9055-15

Dear Mr. Le May:

T. H. McElvain Oil & Gas Properties, hereinafter referred to as "McElvain", as operator of State of New Mexico Oil & Gas Lease No. E-9055-15 dated December 23, 1962, hereby requests administrative approval of an unorthodox location for the drilling of our Thirlaway #1 at a location 1585' FNL and 1925' FEL of Section 36, T-24N, R-7W, NMPM, Rio Arriba County, New Mexico. The proration unit to be dedicated to this well is the S/2NE/4 of Section 36. The proposed unorthodox location lies 75' west and 65' north of a legal location under the Escrito Gallup Associated Pool Rules (See attached plat labeled Exhibit A).

This shift of the location slightly to the northwest of a legal location is necessary due to a large arroyo running East-West through the spacing unit (See attached topo sheet labeled Exhibit B). If it becomes necessary for us to shift our location further south and east, we will have to build a road across this large arroyo and cut the location into the hillside on the south side of the arroyo. This would give us a large added expense plus limiting our access to the well location during heavy rains and snowy conditions.

In compliance with Rule 2(c) of the General Rules & Regulations - Associated Oil & Gas Pools, McElvain submits herewith on the attached plat labeled Exhibit A, the ownership of all leases offsetting the proration unit and all wells completed thereon. We are also including as Exhibit C the names and addresses of all the offset owners which McElvain has served notice upon of this application by certified mail. We have requested waivers from each of these owners.

It is the opinion of McElvain that approval of this application will prevent waste and protect correlative rights.

Respectfully submitted,

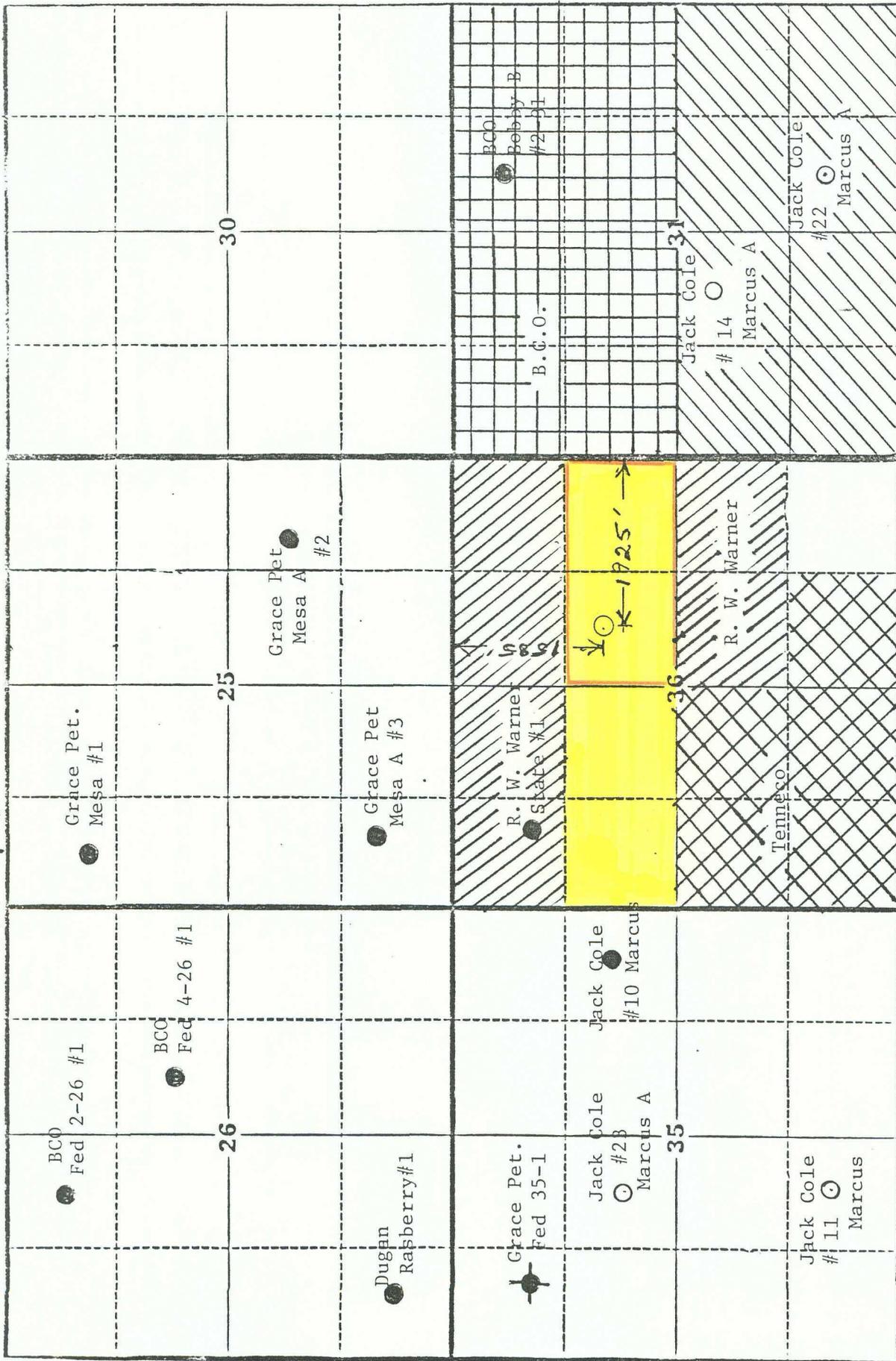
T. H. McELVAIN OIL & GAS PROPERTIES

*George B. Broome*  
George B. Broome  
Geological Engineer

T 24 N

R-6W

R-7W



T. H. McElvain Oil & Gas Properties  
 P.O. Box 2148  
 Santa Fe, New Mexico 87504-2148

Plat of our Unorthodox Location on an  
 80 acre standard proration unit on State  
 of New Mexico Oil & Gas Lease #E-9055-15  
 Escrito Gallup Field, Rio Arriba Co., N.M.

1920000  
FEET

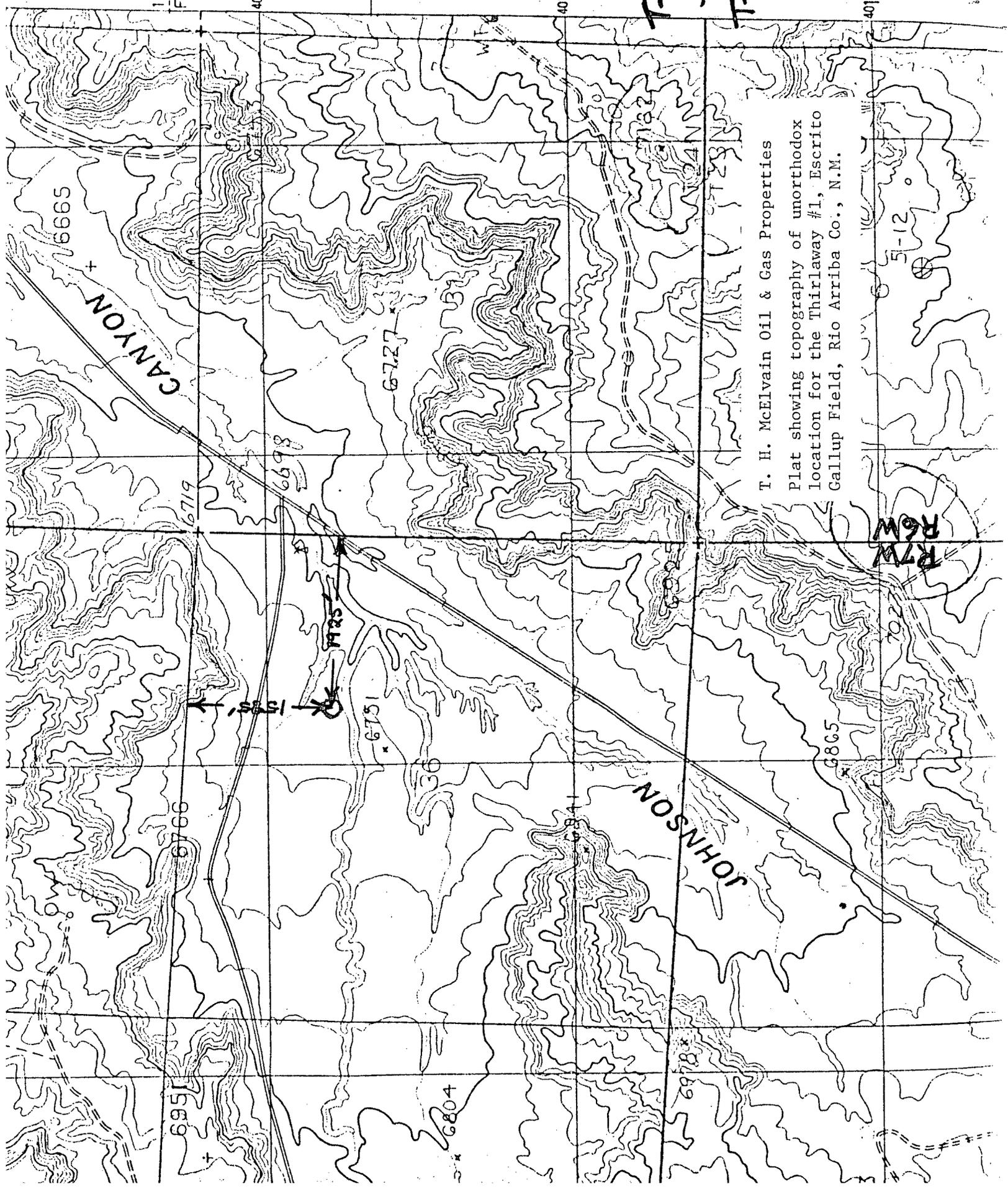
4017

4016

4015000mN

T-24N

T-23N



T. H. McElvain Oil & Gas Properties  
 Plat showing topography of unorthodox  
 location for the Thirlaway #1, Escrito  
 Gallup Field, Rio Arriba Co., N.M.

EXHIBIT C

Direct and Diagonal Offset Operators of T. H. McElvain Oil & Gas  
Properties Thirlaway #1 located in the S $\frac{1}{2}$ NE $\frac{1}{4}$ , Sec. 36, T-24N, R-7W,  
Rio Arriba County, New Mexico

Tenneco Oil Company  
P. O. Box 3249  
Englewood, Colorado 80155

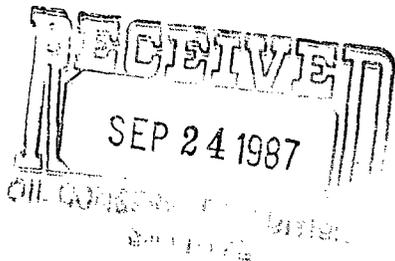
R. W. Warner  
Box 769  
Buffalo, Missouri 65622

BCO, Inc.  
135 Grant Avenue  
Santa Fe, NM 87501

Jack A. Cole  
P. O. Box 191  
Farmington, NM 87499

September 23, 1987

*File*



RE: McMillan Upper Penn  
Proposed Proration Unit:  
N/2 Section 7  
Proposed Unorthodox Location:  
1980' FNL, 990' FEL, Section 7  
Township 19 South, Range 27 East  
Eddy County, New Mexico

CERTIFIED  
RETURN RECEIPT

Meridian Oil Production Inc.  
Attn: Production Department  
21 Desta Drive  
Midland, TX 79705

Mobil Producing Inc.  
Attn: Production Department  
P. O. Box 633  
Midland, TX 79702

Bassett Birney Oil Corporation  
Attn: Jack McCaw  
207 South 4th Street  
Artesia, NM 88210

Gentlemen:

Yates Petroleum Company, operator of all direct and diagonally offsetting proration units to my unorthodox location has agreed to grant me a waiver for this location. Therefore, I intend to file for administrative approval of said location.

In the event you are not in agreement, please advise me or the Oil Conservation Division within the next 15 days. Otherwise, I will assume that this unorthodox location is satisfactory to you.

Very truly yours,

*Robert N. Enfield*  
Robert N. Enfield

RNE/mg

cc: Michael E. Stogner  
Oil Conservation Division

T. H. McELVAIN OIL & GAS PROPERTIES

T. H. McELVAIN, JR., MANAGER

220 SHELBY STREET

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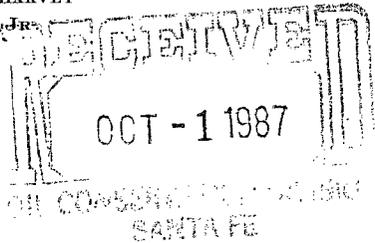
CATHERINE B. McELVAIN

CATHERINE M. HARVEY

T. H. McELVAIN, JR.

TELEPHONE 982-1935

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Oil Conservation Division  
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well location in the Escrito Gallup Field under  
New Mexico State Oil & Gas Lease #E-9055-15

Dear Mr. Le May:

BCO, Inc. as an offset owner to the T. H. McElvain Oil & Gas Properties  
Thirlaway #1 unorthodox location 1585' FNL and 1925' FEL of Section 36, T-24N,  
R-7W, Rio Arriba County, New Mexico, hereby waives its right to object to this  
unorthodox location.

Yours very truly,

BCO, INC.

By Elizabeth B. Keeshan  
Vice President  
9/29/87

T. H. McELVAIN OIL & GAS PROPERTIES

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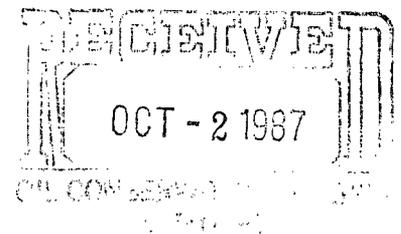
Dear Mr. Le May:

Jack A. Cole, as an offset owner to the T. H. McElvain Oil & Gas Properties Thirlaway #1 unorthodox location 1585' FNL and 1925' FEL of Section 36, T-24N, R-7W, Rio Arriba County, New Mexico, hereby waives its right to object to this unorthodox location.

Yours very truly,

JACK A. COLE

By



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T. H. McELVAIN, JR., MANAGER

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Dear Mr. Le May:

R. W. Warner, as an offset owner to the T. H. McElvain Oil & Gas Properties Thirlaway #1 unorthodox location 1585' FNL and 1925' FEL of Section 36, T-24N, R-7W, Rio Arriba County, New Mexico, hereby waives its right to object to this unorthodox location.

Yours very truly,

R. W. WARNER

By R. W. Warner

T. H. McELVAIN OIL & GAS PROPERTIES

T. H. McELVAIN, JR., MANAGER

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CATHERINE B. McELVAIN

CATHERINE M. HARVEY

T. H. McELVAIN, JR.

OCT 22 1987

*File*

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Oil Conservation Division  
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Dear Mr. Le May:

Tenneco Oil Company, as an offset owner to the T. H. McElvain Oil & Gas Properties Thirlaway #1 unorthodox location 1585' FNL and 1925' FEL of Section 36, T-24N, R-7W, Rio Arriba County, New Mexico, hereby waives its right to object to this unorthodox location.

Yours very truly,

TENNECO OIL COMPANY

By *Donna D. Jones*  
K.H.