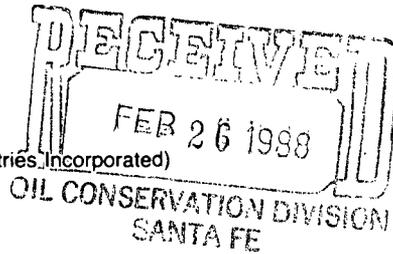


Release Date:  
February 26, 1988

By DRC



Primary Fuels, Inc.  
(A Subsidiary of Houston Industries Incorporated)



February 22, 1988

NSL-2475  
RULE-104 F(L)

Oil Conservation Commission  
Post Office Box 2088  
Santa Fe, New Mexico 87504-2088  
Attn: Mr. William J. Landry, Director

Undesignated Happy  
Valley Narrow Gas  
Pool

Subject: Unorthodox location  
Primary Fuels, Inc. - Amoco 19 Federal No. 3  
1780' FNL & 2573' FEL, Sec 19, T22S, R26E  
Eddy County, New Mexico

320 Acres dead  
1/2 Sec 19

Gentlemen:

Primary Fuels respectfully request that the referenced unorthodox location be approved administratively. The unorthodox location was required by the Federal Bureau of Land Management because of topographic considerations.

Attached is a plat showing the location of Well No. 1 PFI Amoco 19 Federal, the initial location for the proposed Well No. 3, and three alternate locations for the proposed Well No. 3. Also shown is the electric line serving the rancher's house ( there is a telephone line about 50 feet south and parallel to the electric line), a fence, and McKittrick Draw. The draw, which is about 50 feet wide and 5 to 10 feet deep, is normally dry. It appears, however, to carry considerable water when it rains.

The initial location for Well No. 3 is on the side of a hill in a drainage area only 90 feet from the rancher's telephone line and about 140' from his electric line. To construct a well pad and pit here would require a maximum cut of about 20 feet on the north side and a corresponding 20 foot fill on the south.

Mr. Barry Hunt, BLM's field representative, selected three alternate locations which he felt would be acceptable to the BLM. All three are unorthodox locations. Alternate location No. 2 is located 1,780 feet from the north section line and 2,573 feet from the east section line. This location is the one preferred by Primary Fuels and it has been approved by the BLM. A copy of the Approved Federal "Application For Permit To Drill" is attached.

Mr. William J. Landry  
Subject: Unorthodox location  
Primary Fuels, Inc. - Amoco 19 Federal No. 3  
1780' FNL & 2573' FEL, Sec 19, T22S, R26E  
Eddy County, New Mexico

Page 2  
February 22, 1988

Also attached is a map showing the offset operators. Each of these operators has been notified of this application and waivers from each are attached.

Yours very truly,



K. W. Harbin  
Vice President

Attachment

JBS/slc



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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  
 PRIMARY FUELS, INC.

3. ADDRESS OF OPERATOR  
 P. O. BOX 569, HOUSTON, TEXAS 77001

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements\*)  
 At surface  
 1780' FNL AND 2573' FEL OF SECTION 19  
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 7 AIR MILES WEST-SOUTHWEST OF CARLSBAD, NEW MEXICO

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
 460'

16. NO. OF ACRES IN LEASE  
 957.28

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 318.60

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
 1950'

19. PROPOSED DEPTH  
 11,350

20. ROTARY OR CABLE TOOLS  
 ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 3384.7' GL

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"	48#	600'	SUFFICIENT TO CIRCULATE
12-1/4"	8-5/8"	24#	2200'	SUFFICIENT TO CIRCULATE
7-7/8"	5-1/2"	17# & 20#	11,350'	470 SACKS

AFTER SETTING PRODUCTION CASING, PAY ZONE WILL BE PERFORATED AND STIMULATED AS NECESSARY.

SEE ATTACHED FOR: SUPPLEMENTAL DRILLING DATA  
 BOP SKETCH  
 SURFACE USE AND OPERATIONS PLAN

GAS IS NOT DEDICATED.

APPLICATION IS BEING FILED WITH THE NMCD FOR APPROVAL OF THIS UNORTHODOX WELL LOCATION.

RECEIVED

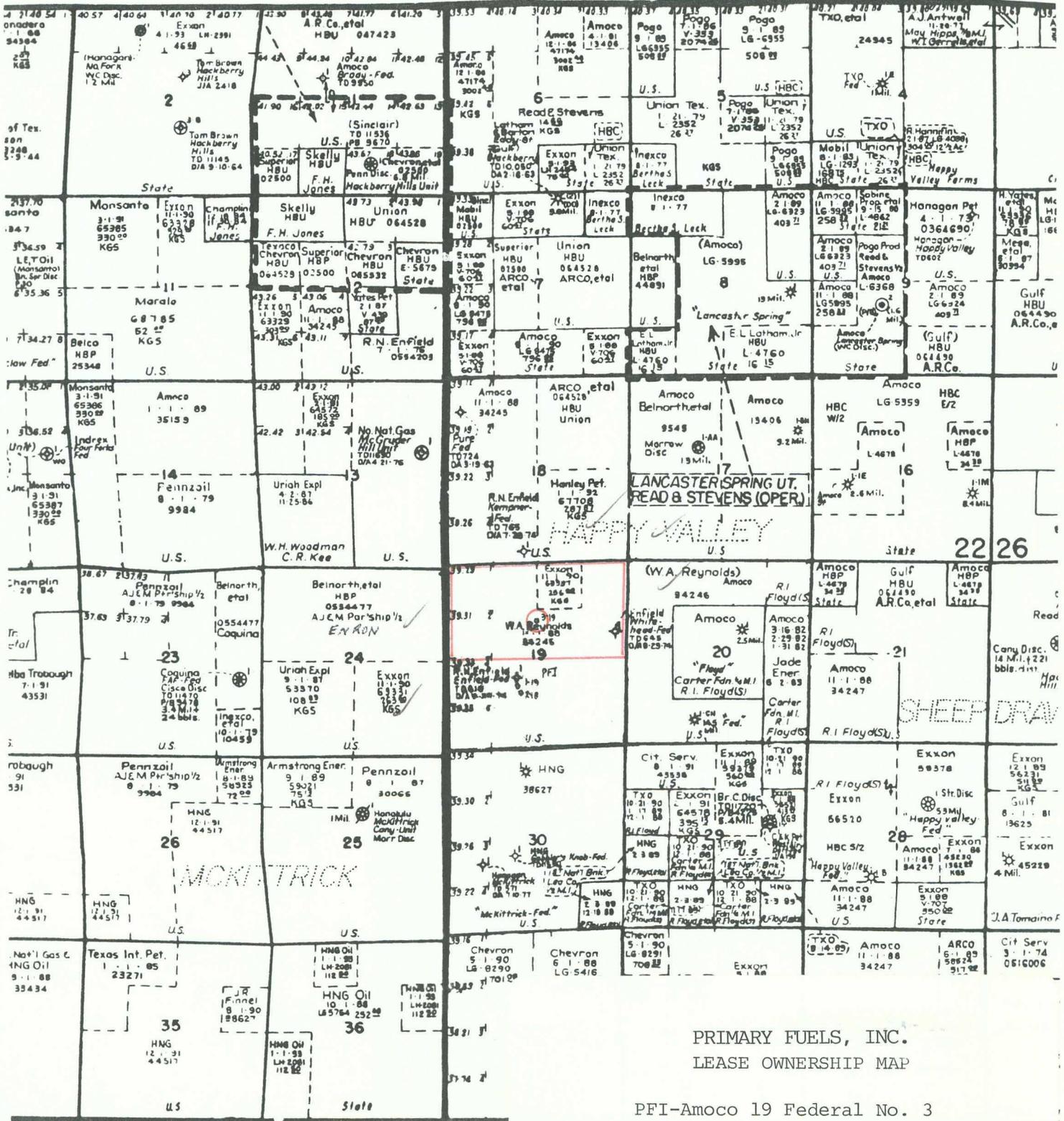
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer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

24. SIGNED Arthur R. Brown TITLE Agent DATE 12-30-87

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
 APPROVED BY Scott C. Adams TITLE Agent DATE 2-11-88  
 CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side



PRIMARY FUELS, INC.  
LEASE OWNERSHIP MAP

PFI-Amoco 19 Federal No. 3  
Sec. 19, T22S, R26E, Eddy County, New Mexico

January 13, 1988

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501  
Attn: Director of Energy and Minerals Division

Re: Unorthodox location  
Primary Fuels, Inc. - Amoco 19 Federal No. 3  
1780' FNL & 2573' FEL, Sec 19, T22S, R26E  
Eddy County, New Mexico

Gentlemen:

Exxon has been advised that Primary Fuels, Inc. is making application to drill the referenced well at the stated unorthodox location. This is to advise that Exxon has no objections to approval of the application.

Yours very truly,

*CORPORATION*  
Exxon ~~Company USA~~

By: *James H. ...*

Date: 2/12/88

JBS/slc

January 13, 1988

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501  
Attn: Director of Energy and Minerals Division

Re: Unorthodox location  
Primary Fuels, Inc. - Amoco 19 Federal No. 3  
1780' FNL & 2573' FEL, Sec 19, T22S, R26E  
Eddy County, New Mexico

Gentlemen:

Hanley Petroleum has been advised that Primary Fuels, Inc. is making application to drill the referenced well at the stated unorthodox location. This is to advise that Hanley Petroleum has no objections to approval of the application.

Yours very truly,

Hanley Petroleum, Inc.

By: L. O. Coburn  
President

Date: January 19, 1988

JBS/slc



James F. Trickett  
Regional Environmental  
Affairs and Safety Manager

February 9, 1988

File: JCA-986.51NM-436

Re: Unorthodox Location  
Amoco 19 Federal No. 3  
1780' FNL & 2573' FEL, Sec. 19, T22S, R26E  
Eddy County, New Mexico

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

Attention: William J. LeMay

Amoco Production Company has been advised that Primary Fuels, Inc. is making application to drill the referenced well at the above stated unorthodox location. This is to advise that Amoco has no objection to approval of the application.

Yours very truly,

  
MLC/

cc: Primary Fuels, Inc.  
415 West Wall, Suite 1300  
Midland, TX 79701

**Amoco Production Company**

Houston Region  
501 WestLake Park Boulevard  
Post Office Box 3092  
Houston, Texas 77253

713-556-2000

RECEIVED

FEB 10 1988

PRIMARY FUELS  
Land Department  
Midland, Texas

January 13, 1988

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501  
Attn: Director of Energy and Minerals Division

Re: Unorthodox location  
Primary Fuels, Inc. - Amoco 19 Federal No. 3  
1780' FNL & 2573' FEL, Sec 19, T22S, R26E  
Eddy County, New Mexico

Gentlemen:

Enron has been advised that Primary Fuels, Inc. is making application to drill the referenced well at the stated unorthodox location. This is to advise that Enron has no objections to approval of the application.

Yours very truly,

Enron Oil & Gas Company

By:   
Date: 1-14-88

JBS/slc