

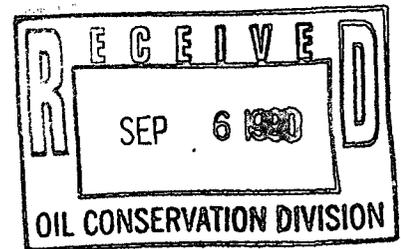
T. H. McELVAIN OIL & GAS PROPERTIES

T. H. McELVAIN, JR., MANAGER

220 SHELBY STREET

P. O. Box 2148

SANTA FE, NEW MEXICO 87504-2148



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CATHERINE B. McELVAIN

CATHERINE M. HARVEY

T. H. McELVAIN, JR.

September 6, 1990

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

Re: Application by T. H. McElvain Oil & Gas Properties for approval of an unorthodox oil well location in the Devonian Formation within the North Sawyer Devonian Pool Roosevelt County, New Mexico

Dear Mr. Lemay:

T. H. McElvain Oil & Gas Properties, hereinafter referred to as "McElvain," as operator of 38 fee leases representing 100% of the mineral ownership within the S/2 of Section 29 T8S-R38E, NMPM, Roosevelt County, New Mexico, proposes to reenter the V-F Petroleum, Inc. Bilbrey #1 well located 330' FSL and 2310' FEL of Section 29 in an attempt to complete the well in the Devonian Formation (see Exhibit A). The Bilbrey #1 well was drilled in 1977 to a total depth of 11,445 in the Devonian Formation. It was abandoned without running production casing after logging and drill stem testing the Devonian Formation.

The 80 acre proration unit we propose for the subject well is the S/2 SE/4 which was the original proration unit. The OCD records indicate that the location was initially filed as an orthodox location under the North Sawyer Devonian Pool Rules at 554' FSL and 2086' FEL of Section 29. Our investigation has found that the location was moved due to the fact that there is a large, active sand dune at the originally-proposed location. Through a re-survey that we just completed (see Exhibit C), we have confirmed that the well is located 330' FSL and 2310' FEL of the proration unit which would be a standard location under the statewide spacing rules but it is an unorthodox location under the spacing rules for the North Sawyer Devonian Pool which, at present, has no producing wells. The North Sawyer Devonian Pool consisted of one producing well, the Tom Ingram State #1 C located in Unit C, Section 32 T8S-R38E (see Exhibit A). This well produced a total of 262,506 barrels from the Devonian prior to being abandoned in 1974. Our geology indicates potential for a completion in the Devonian in the Bilbrey well.

Considering these facts, McElvain applies for administrative approval of this existing unorthodox well location under Rule 104, F, I of the OCD Rules and Regulations. As previously mentioned, this 80 acre standard proration unit lies within the spacing rules of the North Sawyer Devonian Pool.

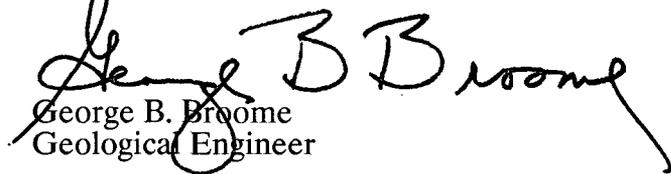
McElvain has today served notice of this application by Certified Mail to all offset operators at the addresses shown on the attached list, which is complete to the best of applicant's knowledge (See Exhibit B). We have requested waivers from all of the offset operators.

Mr. William J. Lemay, Director
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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

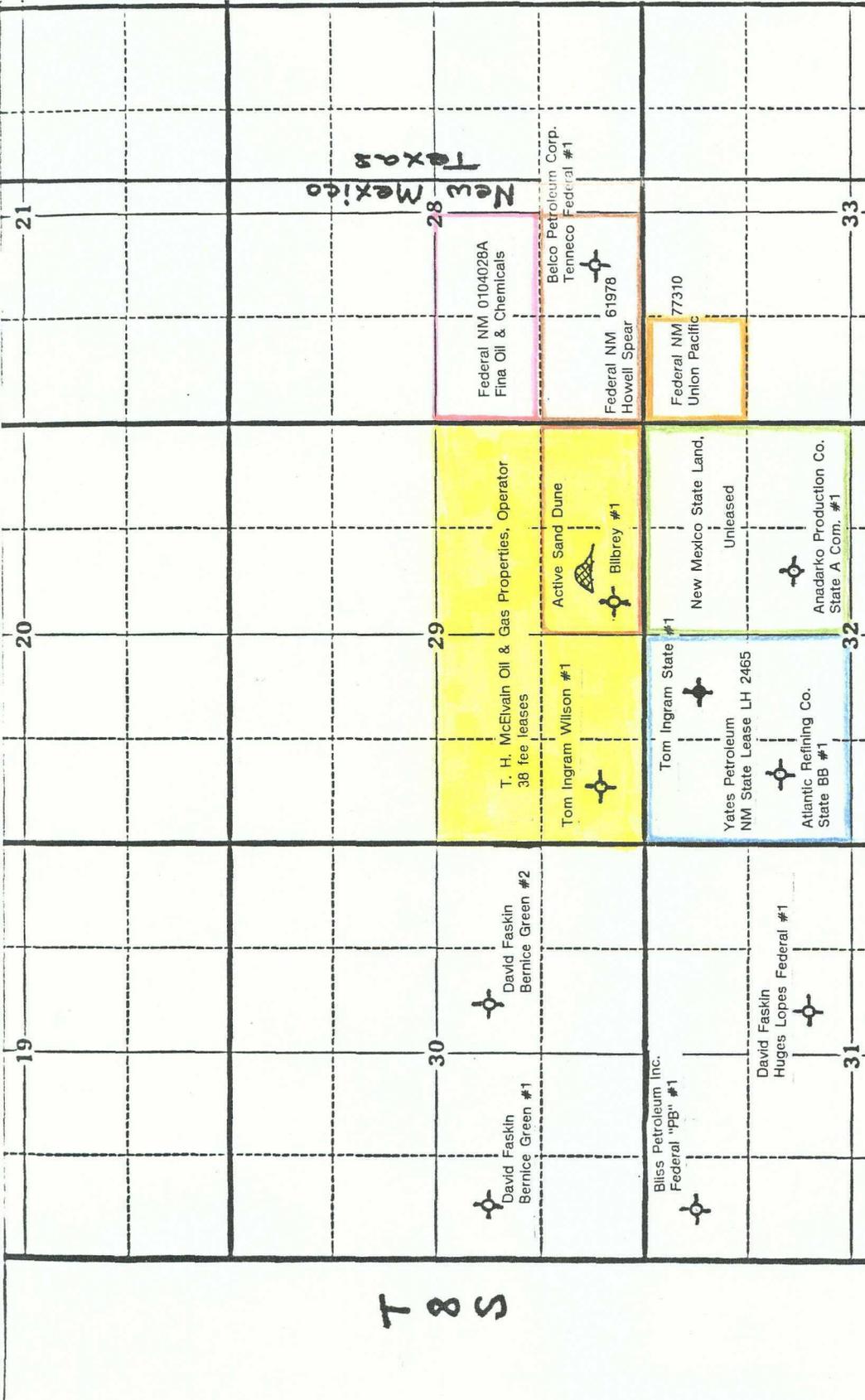

George B. Broome
Geological Engineer

rkf

Enclosure

Exhibit A

R-38E



Plat showing Bilbrey #1 Devonian dry hole at a location 330' FSL and 2310' FEL of Section 29 T8S-R38E, Roosevelt County, New Mexico which is an unorthodox location under the spacing rules of the North Sawyer Devonian Pool

T. H. McElvain Oil & Gas Properties
 Post Office Box 2148
 Santa Fe, New Mexico 87504-2148
 Application for unorthodox location due to topographical conditions

EXHIBIT B

List of Offset Operators and their Addresses

Yates Petroleum Corporation
105 South Fourth
Artesia, New Mexico 88210

Howell Spear
Box 206
Old Magnolia
Perkinston, Mississippi 39573

Union Pacific
Box 7
Ft. Worth, Texas 76101-0007

Commissioner of Public Lands
New Mexico State Land Office
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Fina Oil & Chemical Company
P.O. Box 2290
Midland, Texas 79702

OIL CONSERVATION DIVISION

P.O. Box 2088

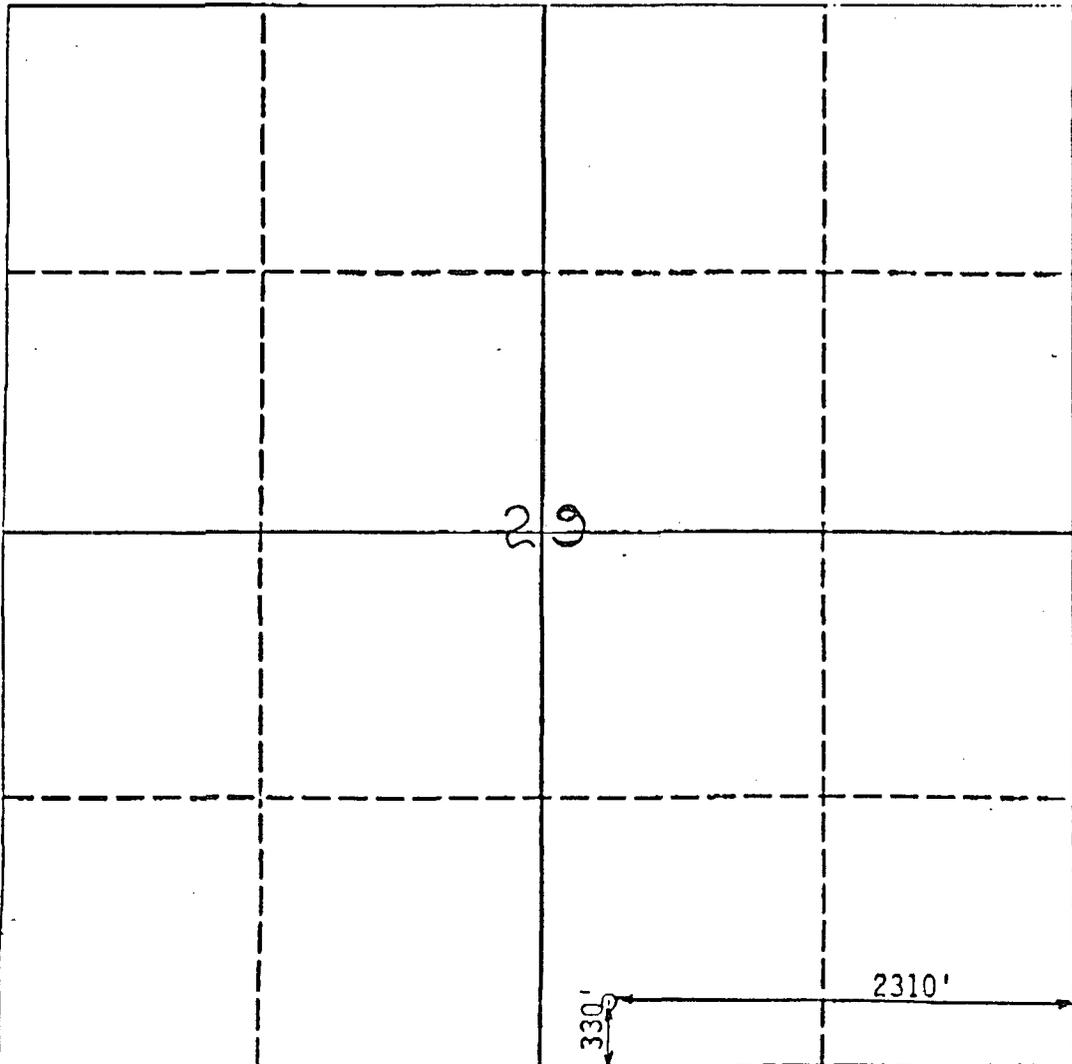
Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator T. H. McElvain Oil & Gas Properties		Lease Bilbrey		Well No. 1
Unit Letter 0	Section 29	Township 8 South	Range 38 East	County Roosevelt
Actual Footage Location of Well:				
330 feet from the South		line and 2310 feet from the East line		
Ground Level Elev. 3970'	Producing Formation Devonian	Pool North Sawyer - Devonian	Dedicated Acreage: 80 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
 - If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 100% WI controlled by Operator. Royalty under 38 leases, all undivided interests.
 - If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *George B. Broome*

Printed Name: **George B. Broome**

Position: **Geological Engineer**

Company: **T. H. McElvain Oil & Gas Properties**

Date: **August 30, 1990**

SURVEYOR CERTIFICATION

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: **August 23, 1990**

Signature & Seal of Professional Surveyor: *[Signature]*

Certificate No.: **8112**

