

NSL

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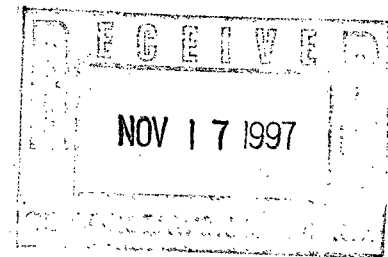
Morexco, Inc.

Office
(505) 746-6520

Fax
(505) 748-1014

November 14, 1997

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87508
Attention: Mr. Michael Stogner



**Re: Application for Unorthodox Location
J.R. Holt "B" #3
Township 19 South, Range 37 East
Section 5: SE/4
Lea County, New Mexico**

Dear Mr. Stogner,

Morexco, Inc. requests permission to drill a non-standard location within the Eumont Gas Pool for geologic reasons. Please find enclosed the following:

- 1) Land plat with Morexco's proration units outlined.
- 2) Land plat with affected offset operator's acreage outlined.
- 3) Queen structure map.
- 4) Cross section.
- 5) Copies of certified letters to affected offset operators.

Morexco, Inc. is asking for a waiver of spacing rule to the Eumont Gas Pool in order to drill a well in the above described location. This will enable us to penetrate the Eumont Gas pay 50 feet updip to the J.R. Holt "B" #2 well located in the same proration unit. The J.R. Holt "B" #2 well, when producing, makes enough water from the Yates Sand that prohibits gas production from the Queen Sand. Due to mechanical restrictions, repair is improbable. A replacement well would allow us to move updip in the reservoir to recover undeveloped reserves.

Thank you for your kind consideration. If you have any questions please call.

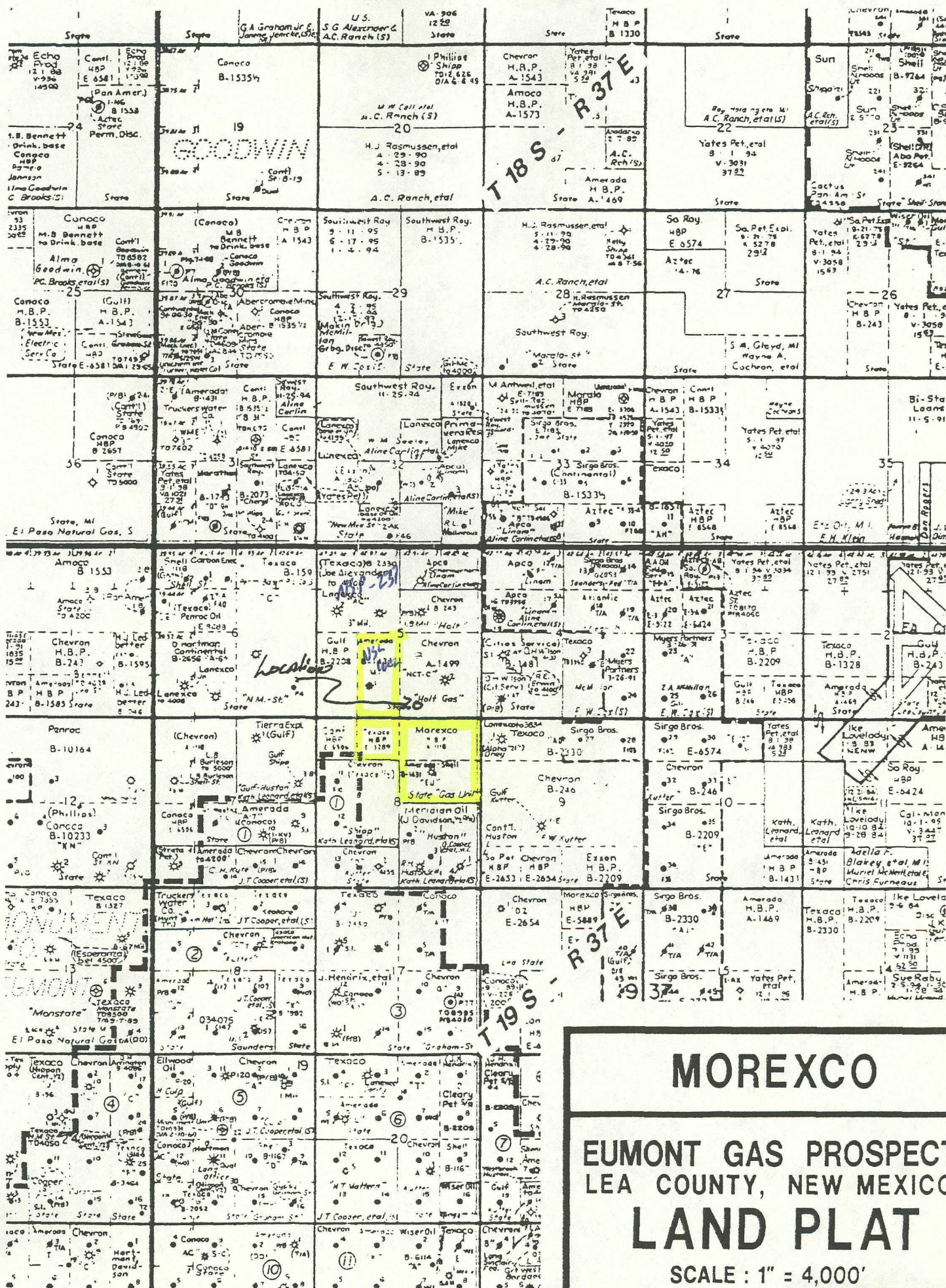
Very truly yours,

MOREXCO, INC.

A handwritten signature in dark ink, appearing to read "Donald G. Becker, Jr.", written over the printed name.

Donald G. Becker, Jr.
President

DGB/rmr
enclosures



MOREXCO

EUMONT GAS PROSPECT
LEA COUNTY, NEW MEXICO
LAND PLAT

SCALE: 1" = 4,000'

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Bravo Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

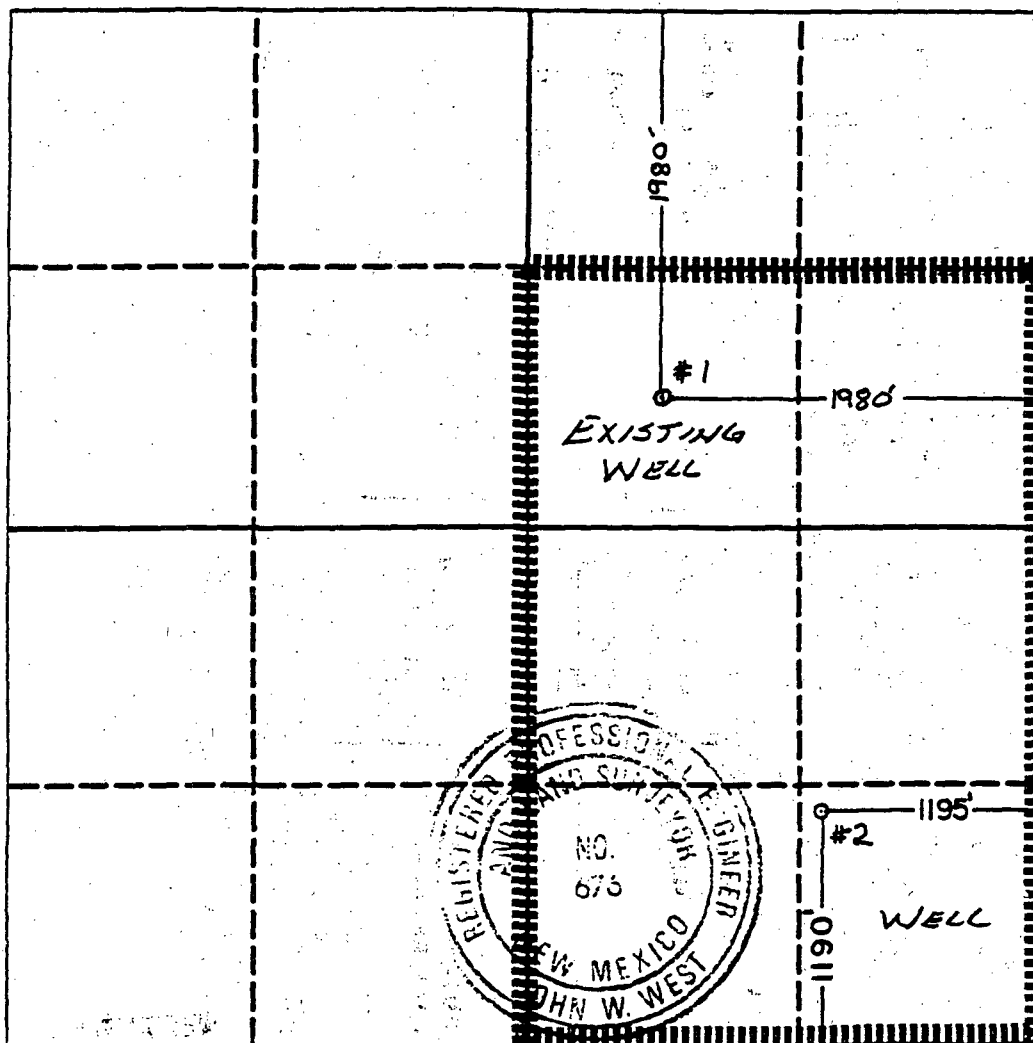
All Distances must be from the outer boundaries of the section

Operator MOREXCO INC CHEVRON USA INC			Lease J. R. Holt NCT-C Gas Com.		Well No. 2
Unit Letter P	Section 5	Township 19 South	Range 37 East	County NMNM	Lea
Actual Footage Location of Well: 1190 feet from the South line and 1195 feet from the East line					
Ground level Elev. 3693.8	Producing Formation V-SR	Foot Eumant V-SR-QN			Dedicated Acreage: 240 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatch 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).
- 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
M. E. Akins
Printed Name
M. E. Akins
Position
Staff Drlg. Engr.
Company
Chevron U.S.A. Inc.
Date

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 17, 1990

Signature & Seal of Professional Surveyor

Signature
John W. West
Certificate No.
JOHN W. WEST, 676
RONALD J. EIDSON, 3239

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

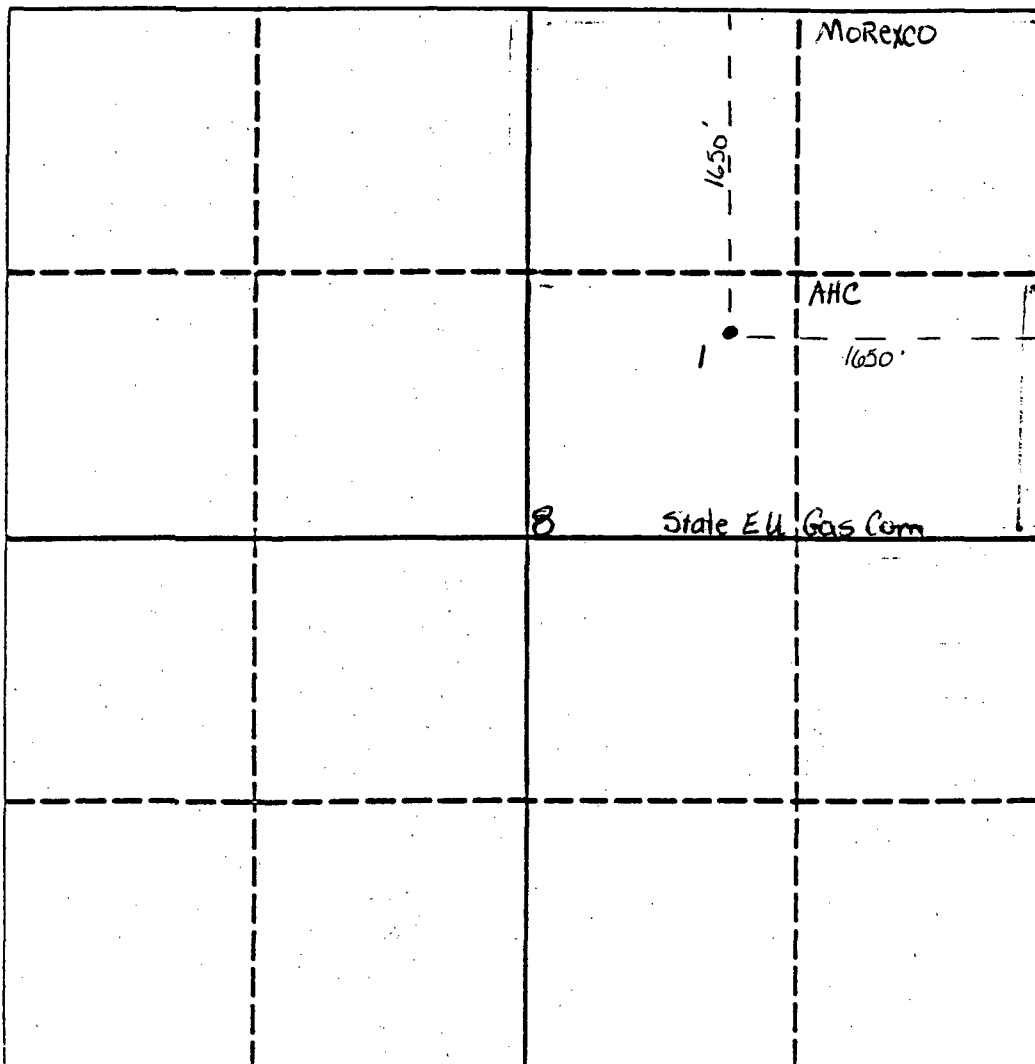
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator AMERADA HESS CORPORATION			Lease STATE EU GAS COM			Well No. 1		
Unit Letter G	Section 8	Township 19S	Range 37E	County NMPM		LEA		
Actual Footage Location of Well: 1650 feet from the NORTH line and 1650 feet from the EAST line								
Ground level Elev. 3706' DF		Producing Formation EUMONT YATES 7 RVS QN GAS				Pool EUMONT		Dedicated Acreage: 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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 COMMUNITIZATION
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 Denise Wann

Printed Name DENISE WANN

Position SR. PETROLEUM ENGINEER

Company AMERADA HESS CORPORATION

Date 4-5-93

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

Signature & Seal of Professional Surveyor

Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator Amerada Hess Corporation			Lease State M "T"		Well No. 1
Unit Letter N	Section 5	Township 19-S	Range 37-E	County Lea	

Actual Footage Location of Well:
990 feet from the **South** line and **1650** feet from the **West** line

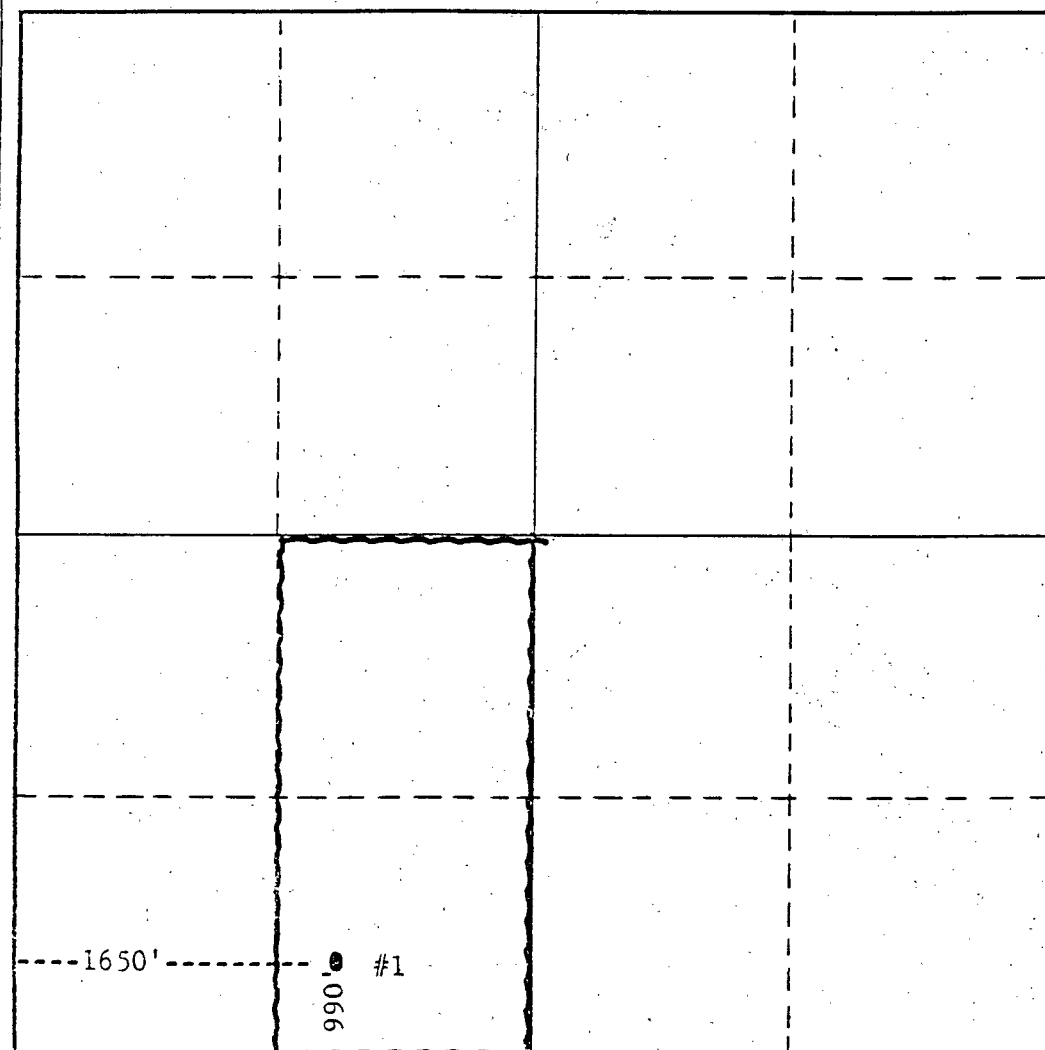
Ground Level Elev. 3718' DF	Producing Formation Eumont Queen Gas	Pool Eumont	Dedicated Acreage: 80 Acres
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1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

[Signature]

Name
Supver., Admin. Serv.
Position
Amerada Hess Corp.
Company
7-30-75
Date

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

Registered Professional Engineer
and/or Land Surveyor

Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

NEW MEXICO
OIL CONSERVATION COMMISSION

Form C-128

Well Location and/or Gas Proration Plat

Date 12-11-56

Operator Gulf Oil Corporation Lease Elbert Shipp "B"

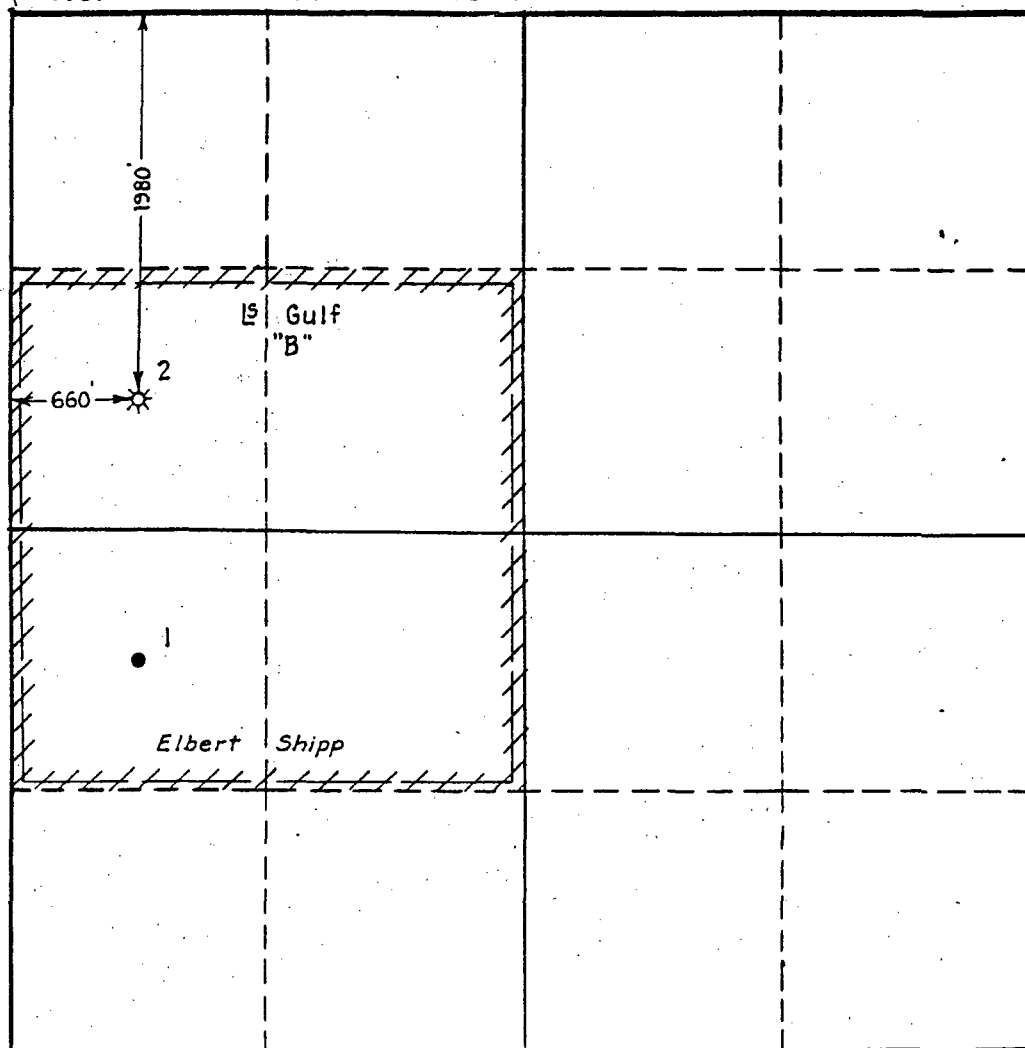
Well No. 2 Section 8 Township 19-S Range 37-E NMPM

Located 1980 Feet From North Line, 660 Feet From West Line,

Lea County, New Mexico. G. L. Elevation 3705'

Name of Producing Formation Queen Pool Eumont Gas Dedicated Acreage 160*

(Note: All distances must be from outer boundaries of Section) *Application for non-Standard Gas Proration Unit will be submitted



1. Is this Well a Dual Comp. ? Yes ___ No X
2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage? Yes ___ No X

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Name J. R. Sherman
Position Division Gas Engineer
Representing Gulf Oil Corporation
Address P. O. Box 1000, Fort Worth, Texas

Date Surveyed _____
Registered Professional Engineer and/or Land Surveyor