



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 19, 1997

Morexco, Inc.
P. O. Box 481
Artesia, New Mexico 88211-0481

Attention: Donald G. Becker, Jr.

Re: Application dated November 14, 1997 for administrative approval to drill the J. R. Holt "B" Well No. 3 at an unorthodox gas well location for the Eumont Gas Pool somewhere within the SW/4 SE/4 (Unit O) of Section 5, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

Dear Mr. Becker:

I am returning the subject application as incomplete. The location of your proposed well was not specified. You may want to provide me with a copy of the C-101 and C-102 for this well. Also, what will be the dedicated acreage for this well. Please refer to any existing non-standard gas spacing and proration unit order for this acreage. Please submit a copy of the notice that was sent to all affected offsets. Did you provided them with a specific location. For this well.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs
William J. LeMay, Director - NMOCD, Santa Fe

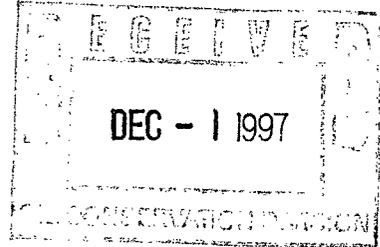
Office
(505) 746-6520

Morexco, Inc.

Fax
(505) 748-1014

November 24, 1997

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico
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,

Please find enclosed all documentation previously sent to you in relation to the captioned application along with a copy of our C-101 and C-102 outlining the dedicated acreage. Also enclosed are copies of the notices sent to affected offsets.

If you need anything further please do not hesitate to call.

Thank you.

Very truly yours,

MOREXCO, INC.

Donald G. Becker, Jr.
President

DGB/rmr
enclosures

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-101
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: MOREXCO, INC. P.O. Box 481 Artesia, NM 88211-0481		OGRID Number
		API Number 30 - 0
Property Code	Property Name J.R. Holt "B"	Well No. 3

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
N	5	19S	37E		330	S	2310	E	Lea

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
					⁹ Proposed Pool 1				
					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation
¹⁶ Multiple	¹⁷ Proposed Depth 3900	¹⁸ Formation Yates - Queen	¹⁹ Contractor Capstar	²⁰ Spud Date 12-15-97

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4	9 5/8	36 #	400	400 sxs	Cir
8 3/4	7 in	20 #	3900	800sxs	Cir

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Plan to drill to a depth sufficient to test the Penrose Sand of the Queen Formation. If shows are sufficient, will run pipe and complete. If not, will plug well under the direction of the rules of the OCD.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

Donald G. Becker, Jr.

Title:

President

Date:

11-24-97

Phone:

505-746-6520

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached

District I
 PO Box 1988, Hobbs, NM 88241-1988
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name Eumont Gas
Property Code	Property Name J.R. Holt "B"		Well Number 3
OGRID No.	Operator Name Morexco, Inc.		Elevation

Surface Location

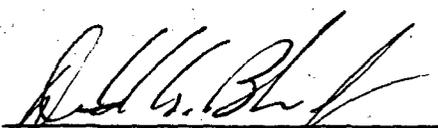
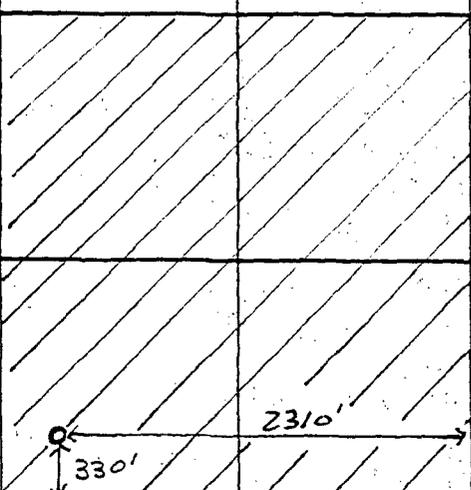
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
N	5	19S	37EE		330	S	2310	E	Lea

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 160	Joint or Infill Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature Donald G. Becker, Jr. Printed Name President Title 11-24-97 Date
					18 SURVEYOR CERTIFICATION <i>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 belief.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number
					

Morexco, Inc.

Office
(505) 746-6520

November 14, 1997

CERTIFIED MAIL
Return Receipt Requested

Amerada Hess Corporation
Drawer D
Monument, New Mexico 88265
Attention: Mr. Jay Baker

**Re: Offset Operator Notification
Unorthodox Location
J.R. Holt "B" State #3
Township 19 South, Range 37 East
Section 5: 330' FSL and 2310' FWL
Lea County, New Mexico**

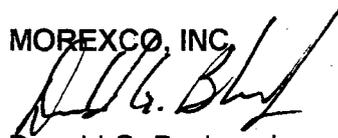
Gentlemen,

Morexco, Inc. plans to drill the J.R. Holt "B" State #3 well at the unorthodox location described above. This location does not comply with the well spacing requirements set forth in New Mexico Conservation Division Rule 104.C (II) (a).

If you have no objections to this unorthodox location, please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the New Mexico Oil Conservation Division within twenty (20) days from the date of this notice.

Very truly yours,

MOREXCO, INC.


Donald G. Becker, Jr.
President

DGB/rmr
enclosures

The undersigned hereby waives any objection to the unorthodox location proposed by Morexco, Inc.

Amerada Hess Corporation

By: _____

Title: _____

Date: _____

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to AMERADA HESS CORP.	
Street & Number <i>Monument</i>	
Post Office, State, & ZIP Code DRAWER D, NM, 88265	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date November 14, 1997	

PS Form 3800 April 1995

Morexco, Inc.

Office
(505) 746-6520

November 14, 1997

CERTIFIED MAIL
Return Receipt Requested

Texaco Exploration & Production, Inc.
P.O. Box 3109
Midland, Texas 79702
Attention: Mr. Ron Lanning

Re: **Offset Operator Notification
Unorthodox Location
J.R. Holt "B" State #3
Township 19 South, Range 37 East
Section 5: 330' FSL and 2310' FWL
Lea County, New Mexico**

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	
TEXACO EXPLORATION	
Street Number	
P.O. Box 3109 Midland 79702	
Post Office, State, & ZIP Code	
P. O. BOX 481, NM, 88211-0481	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
November 14, 1997	

PS Form 3800 April 1995

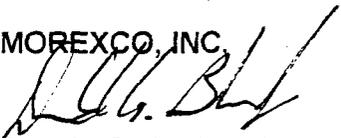
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MOREXCO, INC.


Donald G. Becker, Jr.
President

DGB/rmr
enclosures

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Texaco Exploration & Production, Inc.

By: _____

Title: _____

Date: _____