

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



February 8, 1995

Layton Enterprises, Inc.
3103 - 79th Street
Lubbock, Texas 79423

Attn: Donald R. Layton

Administrative Order NSL-3478

Dear Mr. Layton:

Reference is made to your application dated January 16, 1995 for an unorthodox Allison-Pennsylvanian oil well location in an existing standard 80.25-acre oil spacing and proration unit for said Allison-Pennsylvanian Pool comprising Lot 3 and the SE/4 NW/4 (E/2 NW/4 equivalent) of Section 2, Township 9 South, Range 36 East, NMPM, Lea County, New Mexico, which currently has dedicated thereon the Fox "A" State Well No. 1 (API No. 30-025-03557) located at a standard oil well location 1980 feet from the North line and 2070 feet from the West line (Unit F) of said Section 2.

It is our understanding that the subject well in this application, the Fox "A" State Well No. 5 (API No. 30-025-31343), was drilled to a total depth of 12,487 feet in August/September 1991 to test the Devonian formation at a standard oil well location 2310 feet from the North line and 2070 feet from the West line (Unit F) of said Section 2. It is our understanding that the Devonian interval subsequently tested dry and the well has been shut-in since then.

It is further understood that the Devonian zone is to be properly plugged back at this time and that said well will be recompleted up-hole to the Allison-Pennsylvanian Pool, which pursuant to **Rule 3** of the "*Special Rules and Regulations for the Allison-Pennsylvanian Pool*", as promulgated by Division Order No. R-1389-B, the location is considered to be unorthodox.

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

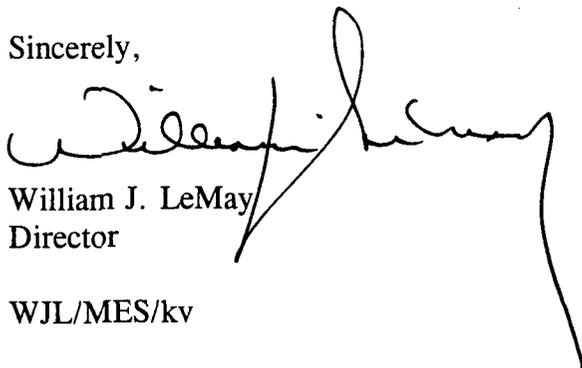
Mining and Minerals
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Oil Conservation
827-7131

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By authority granted me under the provisions of Division Memorandum No. 4-86 and the "*Special Rules and Regulations for the Allison-Pennsylvanian Pool*", the location of said Fox "A" State Well No. 5 is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long, sweeping underline that extends to the right and then curves down.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe