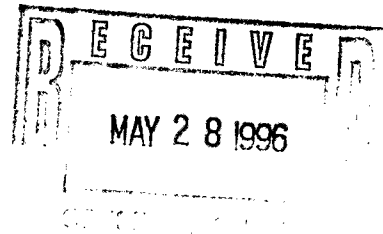


McDONNOLD OPERATING, INC.
505 N. Big Spring, Suite 204
Midland, TX 79702
(915) 682-6396



May 13, 1996

New Mexico Oil Conservation Division
Oil and Gas Drilling Permits
P. O. Box 2308
Santa Fe, NM 87503-2308

Attn: Mr. Michael Stogner

Re: Non-standard drilling location
Jalmat Tansill Yates Seven Rivers (Pro Gas)
Jack A-29 Well No. 8
Unit J, Sec. 29, T24S, R37E
Lea County, NM
1980' from the South and 1980' from the East Line
Total Depth 3380' PBTD
Formation at PBTD: Yates

and

Jalmat Tansill Yates Seven Rivers (Pro Gas)
Jack A-29 Well No. 9
Unit E, Sec. 29, T24S, R37E
Lea County, NM
2634' from the North and 1126' from the East Line
Total PBTD: 3360'
Formation at PBTD: Yates

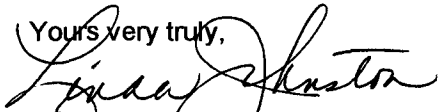
Dear Mr. Stogner:

We are requesting administrative approval of non-standard proration units for the above mentioned wells. We are requesting a proration unit of 160 acres for Well No. 8 and a proration unit of 160 acres for Well No. 9. The reason for this request is that we have only 320 acres allowed this lease and the field wide rules call for 360 acres. We have plugged back from the Langlie Mattix Field on Well No. 9 and the production intervals are 3025-3220.

All offset operators have been notified of this request as indicated in the attached letter. This acreage is not dedicated to any other wells except as stated above in this field.

Your prompt attention to this matter is greatly appreciated.

Yours very truly,


Linda Johnston, Agent for
McDonnold Operating, Inc.

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

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1984
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2000
Santa Fe, New Mexico 87504-2000

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-24788	Pool Code 37240	Pool Name Jalmat Tansill Yates 7 Rivers (Pro Gas)
Property Code 10018	Property Name JACK A-29	Well Number 8
OGRID No. 014372	Operator Name McDONNOLD OPERATING INC.	Elevation 3255

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	29	24S	37E		1980	South	1980	East	Lea

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	29	24S	37E		1980	South	1980	East	Lea

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160	Infill		

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

The map shows a survey area with two well locations marked as dots and labeled #8 and #9. Well #8 is located within a green-shaded rectangular area labeled '160 Acre Proration'. Well #9 is located just outside the top-right corner of this area. Dimensions are provided: a horizontal distance of 1980' from the left boundary to well #8, and a vertical distance of 1980' from the bottom boundary to well #8. Well #9 is located 1126' from the right boundary and 3258.7' from the bottom boundary. The top boundary is 2364' from the top edge of the map. The bottom boundary is 3258.0' from the bottom edge of the map. The green-shaded area is 3258.0' wide and 1980' high.	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>[Signature]</i> Signature PATRICIA T. GREENWADE Printed Name AGENT Title 5/13/94 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 belief. MAY 31 1994 Date Surveyed <i>[Signature]</i> Signature & Seal of Professional Surveyor W.O. Num 94-11-0781 Certificate No. JOHN W. WEST, 576 RONALD J. EIDSON, 3239 GARY L. JONES, 7877
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DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

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

DISTRICT II
P.O. Drawer 88, Artesia, NM 88210

DISTRICT III
1005 Min Bravos Rd., Arbo, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2000
Santa Fe, New Mexico 87504-2000

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	37240	Jalmat Tansill Yates 7 Rivers (Pro Gas)
Property Code	Property Name	Well Number
10018	JACK A-29	9
OGRID No.	Operator Name	Elevation
014372	McDONNOLD OPERATING INC.	3260

Surface Location

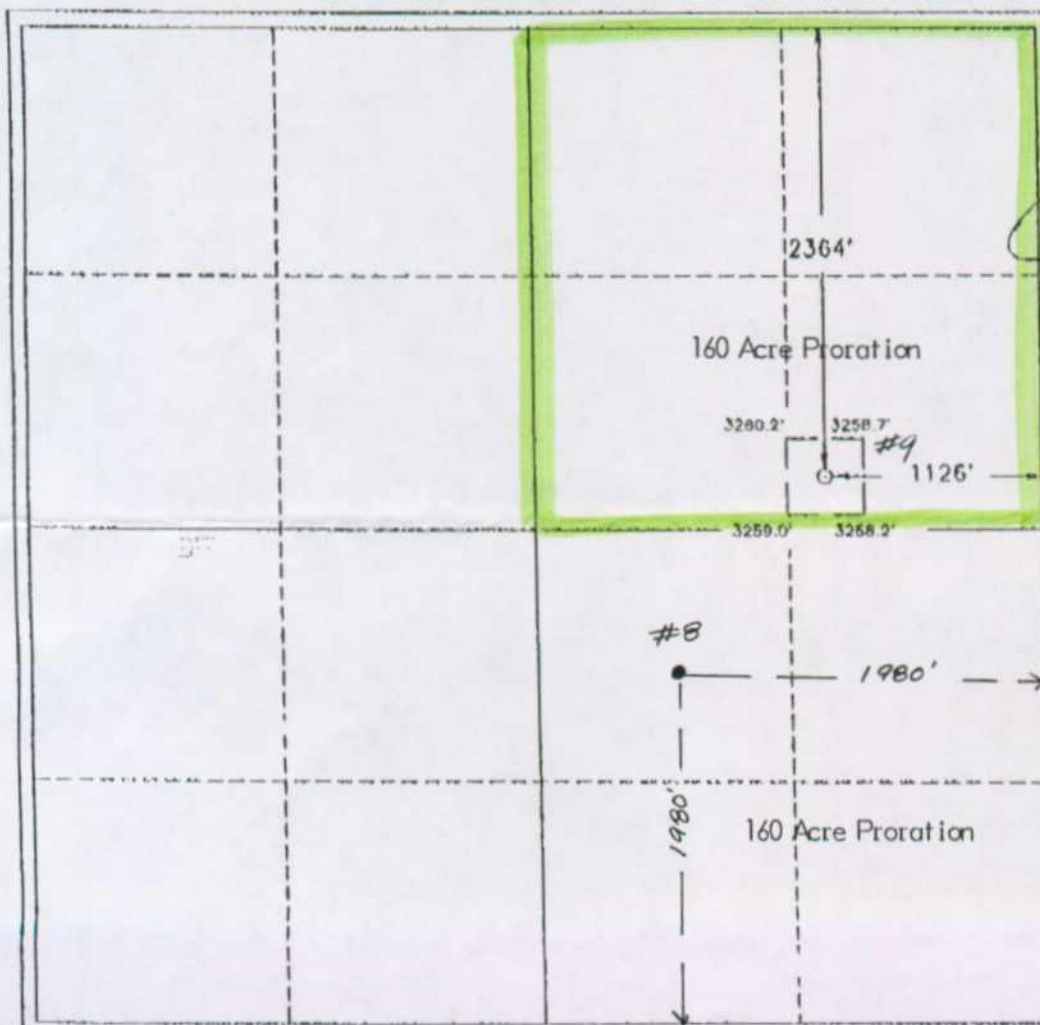
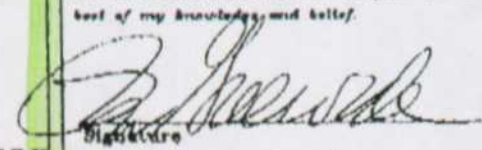
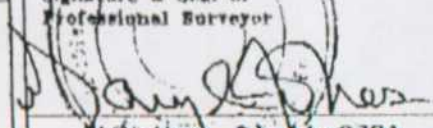
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	29	24S	37E		2364	North	1126	East	Lea

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	29	24S	37E		2364	North	1126	East	Lea

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160	Infill		

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

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature PATRICIA T. GREENWADE Printed Name AGENT Title 5/13/94 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 belief. MAY 3, 1994 Date Surveyed  Signature & Seal of Professional Surveyor W.O. Num. 94-11-07B1 Certificate No. JOHN W. WEST, 576 RONALD J. EIDSON, 3239 GARY L. JONES, 7877
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McDONNOLD OPERATING, INC.

OFFSET OPERATORS

Jack A-29 Well 8 - Unit J, Sec. 29, T24S, R37E, 1980 FSL & 1980 FEL
Jack A-29 Well 9 - Unit E, Sec. 29, T24S, R37E, 2364 FNL & 1126 FEL
Jalmat Tansill Yates Seven Rivers (Pro Gas) Field
Lea County, NM

OFFSET TO NORTHWEST AND SOUTHEAST

Meridian Oil Company

OFFSET TO NORTH

Santa Fe Exploration

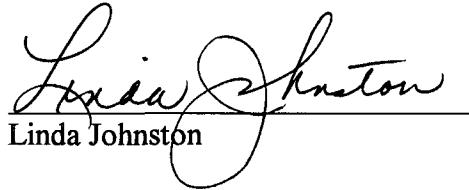
OFFSET TO WEST AND SOUTH

Arco

OFFSET TO EAST

Amoco Production Company
Amerada Hess
McDonnold Operating, Inc.

I, Linda Johnston, Agent for McDonnold Operating, Inc. hereby certify that notice of non-standard proration unit for purposes of 160 acre proration units, has been sent to each of the above listed parties on May 13, 1996


Linda Johnston