

PETRUS OPERATING COMPANY, INC.

12201 MERIT DRIVE, SUITE 900

DALLAS, TEXAS 75251

214/387-0599

David Caranach

January 8, 1985

Amerada
Box 840
Seminole, Texas 73600
Attn: Mr. Ira Johnson

Kern Co.
3005 N. Big Spring
Midland, Texas 79705
Attn: Mr. William G. Kern

Gentlemen:

Petrus Operating Company, Inc. requests your approval of the Waiver attached permitting formation of a non-standard 40-acre unit for completion of our State #1 well in the Bagley Lower Penn Gas Field.

The well and unit location are shown on the attached plat and consists of the NE/4 of SE/4 of Section 34, T11S, R33E, Lea County, New Mexico. Petrus' State #1 is completed through perforations from 9885 - 9918' (5618 - 5651' subsea). Form C-104 attached shows the initial test information for this well.

The Waiver is requested in order to comply with Rule 104-D-II-(c) of the New Mexico Oil Conservation Division. Should you elect not to approve the Waiver, this letter will serve as notice, as required by Rule 104-D-II-(d), of Petrus' intent to form the non-standard unit as stated above.

If you have any questions, please address them to Joe Marek or Suzann Jourdan at 214/387-0599.

Yours very truly,

Joe A. Marek
Joe A. Marek

JAM:bw

Encs.

PS Form 3811, July 1983

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fee and check box(es) for service(s) requested.

- 1. Show to whom, date and address of delivery.
- 2. Restricted Delivery.

3. Article Addressed to:

Kern Co.
3005 N. Big Spring
Midland, TX 79705

4. Type of Service:

- Registered Insured
- Certified COD
- Express Mail

Article Number:

P 551 698 125

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee

X - *Roberta Burtley*

6. Signature - Agent

X

7. Date of Delivery

8-15-85

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fee and check box(es) for service(s) requested.

- 1. Show to whom, date and address of delivery.
- 2. Restricted Delivery.

3. Article Addressed to:

Amerada
Box 840
Seminole, TX 73600
Attn: Ira Johnson

4. Type of Service:

- Registered Insured
- Certified COD
- Express Mail

Article Number

P 551 698 126

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee

X

6. Signature - Agent

Ira Johnson

7. Date of Delivery

JAN 1 1985

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

WAIVER REQUEST

The undersigned hereby waives any objection to designation of Petrus Operating Company's #1 State well as a completion in the Bagley Lower Penn Field in a non-standard 40-acre unit, such unit being the NE/4 of SE/4 of Section 34, T11S, R33E, Lea County, New Mexico.

COMPANY NAME:

Amerada Hess Corp.

APPROVED BY:

Gilbert E. Miller

DATE:

Jan 21, 1985

Release May 27, 1985
Has been held up by
notification procedures.

FEDERAL EXPRESS

By DRG

PETRUS OPERATING COMPANY, INC.

12201 MERIT DRIVE, SUITE 900

DALLAS, TEXAS 75251

214/387-0599

NSP 1455
RULE-104D(II)

April 2, 1985

1980 FSL & 660 FEL
Section 34, T-11S, R-33E
40 Acre non-standard unit
NE 1/4 SE 1/4 deduction

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. David Catanach

Re: Non-standard 40-Acre Unit
State Well No. 1
Bagley Lower Penn Field
Lea County, New Mexico


Dear Mr. Catanach:

Petrus is seeking approval of a non-standard 40-acre unit for our State Well No. 1 in Lea County, New Mexico. Offset operators were notified of our intentions by letter dated January 8, 1985 and received by them on January 14th and 15th. A waiver request was signed and returned to us by Amerada Hess Corp. on January 21st. We filed this information with the District Office in Hobbs on January 28th, along with our C-102. I have been advised that this information did not arrive in your office, so I am resubmitting the application at this time. I have also included an ownership map of the area surrounding our well and indicating the offset owners. Please contact me at the phone number listed above if further information is needed to process our application.

Thank you for your assistance.

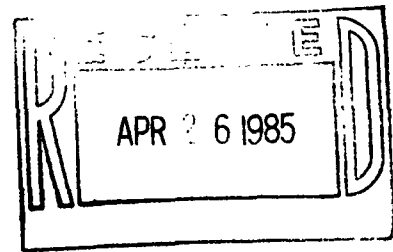
Sincerely,

PETRUS OPERATING COMPANY, INC.


Suzann L. Jourdan
Production Analyst

SLJ

Enclosures



WAIVER REQUEST

The undersigned hereby waives any objection to designation of Petrus Operating Company's #1 State well as a completion in the Bagley Lower Penn Field in a non-standard 40-acre unit, such unit being the NE/4 of SE/4 of Section 34, T11S, R33E, Lea County, New Mexico.

COMPANY NAME:

GULF OIL CORPORATION

APPROVED BY:

[Handwritten Signature]

DATE:

4-18-85

PETRUS OPERATING COMPANY, INC.
12201 MERIT DRIVE, SUITE 900
DALLAS, TEXAS 75251
214/387-0599

January 28, 1985

State of New Mexico
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Re: State Well No. 1
Bagley - Lower Penn Gas Field
Lea County, New Mexico

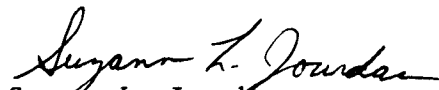
Gentlemen:

Enclosed please find an original and three copies of an amended Form C-102 for the well captioned above. I have also included a copy of our letter to offset operators requesting a waiver of objection to the formation of a non-standard 40-acre unit around the subject well. Evidence of receipt and one waiver of objection are attached. The other waiver if it is received will be forwarded.

Please advise if further information is needed at this time.

Sincerely,

PETRUS OPERATING COMPANY, INC.

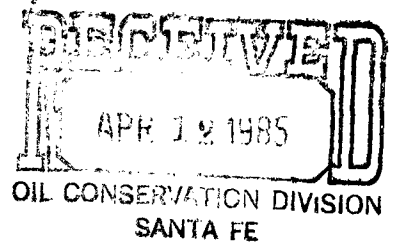


Suzann L. Jourdan
Production Analyst

SLJ

Enclosures

PETRUS OPERATING COMPANY, INC.
12201 MERIT DRIVE, SUITE 900
DALLAS, TEXAS 75251
214/387-0599



April 8, 1985

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. David Catanach

Re: Non-standard 40-Acre Unit
State Well No. 1
Bagley Lower Penn Field
Lea County, New Mexico

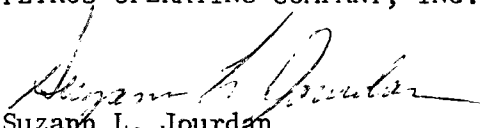
Dear Mr. Catanach:

Attached please find a copy of the letter sent to the remaining operators in Section 34. The information has been sent return receipt and I should have the receipt cards back in a week or so. I will forward them to you at that time.

If there is additional information needed at this time, please advise.

Sincerely,

PETRUS OPERATING COMPANY, INC.


Suzann L. Jourdan
Production Analyst

SLJ

Attachment

PETRUS OPERATING COMPANY, INC.

12201 MERIT DRIVE, SUITE 900

DALLAS, TEXAS 75251

214/387-0599

April 8, 1985

Partnership Properties
P. O. Box 2250
Denver, CO 80201

Attn: Mr. Samuel C. Moore

Gulf Oil Company
P. O. Box 1150
Midland, Texas 79702

Belco
One Petroleum Centre, Bldg. 6
330 North A, Suite 201
Midland, Texas 79705

Gentlemen:

Petrus Operating Company, Inc. requests your approval of the Waiver attached permitting the formation of a non-standard 40-acre unit for completion of our State #1 well in the Bagley Lower Penn Gas Field.

The well and unit location are shown on the attached plat and consists of the NE/4 of SE/4 of Section 34, T-11-S, R-33-E, Lea County, New Mexico. Petrus' State #1 is completed through perforations from 9885-9918'. Form C-104 attached shows the initial test information for this well.

The Waiver is requested in order to comply with Rule 1670 of the New Mexico Oil Conservation Division. Should you elect not to approve the Waiver, this letter will serve as notice, as required by Rule 1670, of Petrus' intent to form the non-standard unit as stated above.

If you have any questions, please contact me at 214/387-0599.

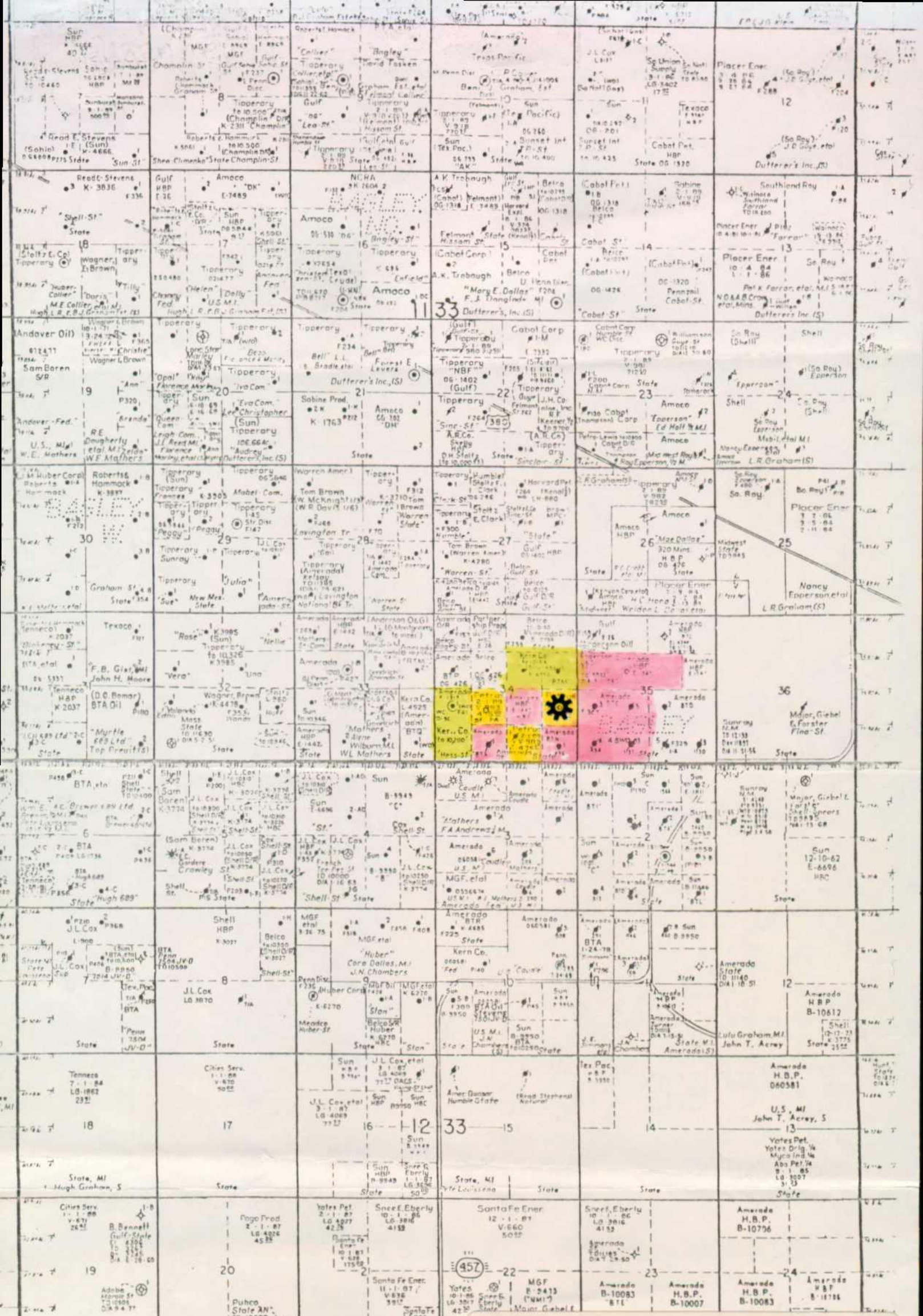
Sincerely,

PETRUS OPERATING COMPANY, INC.


Suzann L. Jourdan
Production/Regulatory Analyst

SLJ

Attachments



PETRUS OPERATING COMPANY, INC.
State Well No. 1

- Petrus Operating Co.
- Amerada Hess Corp.
- Kern Company
- State Well No. 1

PETRUS OPERATING COMPANY, INC.

12201 MERIT DRIVE, SUITE 900

DALLAS, TEXAS 75251

214/387-0599

APR 22 1985
OIL COMPANY

April 22, 1985

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. David Catanach

Re: Non-standard 40-Acre Unit
State Well No. 1
Bagley Lower Penn Field
Lea County, New Mexico

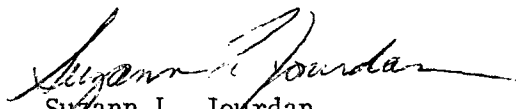
Dear Mr. Catanach:

Attached please find copies of the return receipts for the remaining operators in Section 34. I have not received any of the waiver letters back yet. If I should, I will forward them to you at once.

Please advise if further information is needed at this time.

Sincerely,

PETRUS OPERATING COMPANY, INC.


Suzann L. Jourdan
Production Analyst

SLJ

Attachment

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

- 1. Show to whom, date and address of delivery.
- 2. Restricted Delivery.

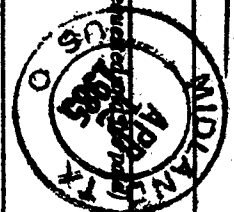
3. Article Addressed to:
Gulf Oil Company

4. Type of Service:	Article Number
<input checked="" type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail	P 551 698 129

Always obtain signature of addressee or agent and DATE DELIVERED.

- 5. Signature - Addressee
X
- 6. Signature - Agent
X *[Signature]*
- 7. Date of Delivery
X *2-10-85*

8. Addressee's Address (ONLY if requested and fee paid)



SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

- 1. Show to whom, date and address of delivery.
- 2. Restricted Delivery.

3. Article Addressed to:
Partnership Properties
Petro-Lewis Corp.
Samuel C. Moore

4. Type of Service:	Article Number
<input checked="" type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail	P 551 698 128

Always obtain signature of addressee or agent and DATE DELIVERED.

- 5. Signature - Addressee
X
- 6. Signature - Agent
X *[Signature]*
- 7. Date of Delivery
X *APR 17 1985*

8. Addressee's Address (ONLY if requested and fee paid)



SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

- 1. Show to whom, date and address of delivery.
- 2. Restricted Delivery.

3. Article Addressed to:
Belco

4. Type of Service:	Article Number
<input checked="" type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail	P 551 698 130

Always obtain signature of addressee or agent and DATE DELIVERED.

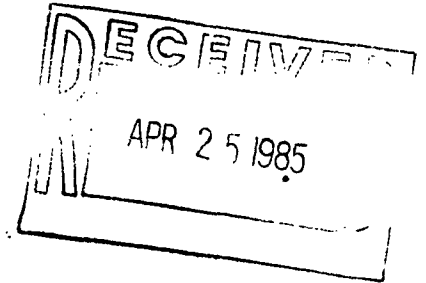
- 5. Signature - Addressee
X *[Signature]*
- 6. Signature - Agent
X *[Signature]*
- 7. Date of Delivery
X *4-11-85*

8. Addressee's Address (ONLY if requested and fee paid)

PETRO LEWIS CORPORATION
Central Region

Petro-Lewis Tower
717 17th Street
P.O. Box 2250
Denver, Colorado 80201
303/294-1000

April 19, 1985



Mr. Douglas W. Harlbut
Tipperary Corporation
P. O. Box 3179
Midland, Texas 79702

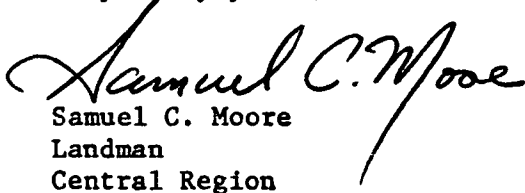
Re: North Bagley Penn Prospect
Lea County, New Mexico

Dear Doug:

Enclosed for your handling is a request of waiver for a well drilled by Petrus Operating Company, Inc. in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 34, Township 11 South, Range 33 East. I believe Petrus took our name from from an old map. We have sold this offset acreage to you effective April 1, 1984.

Thank you.

Very truly yours,


Samuel C. Moore
Landman
Central Region

SCM/ckh
DB9325.56

Enclosure

cc: Petrus Operating Company, Inc.
12201 Merit Drive, Suite 900
Dallas, Texas 75251
Attn: Suzann L. Jourdan

**NE 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.

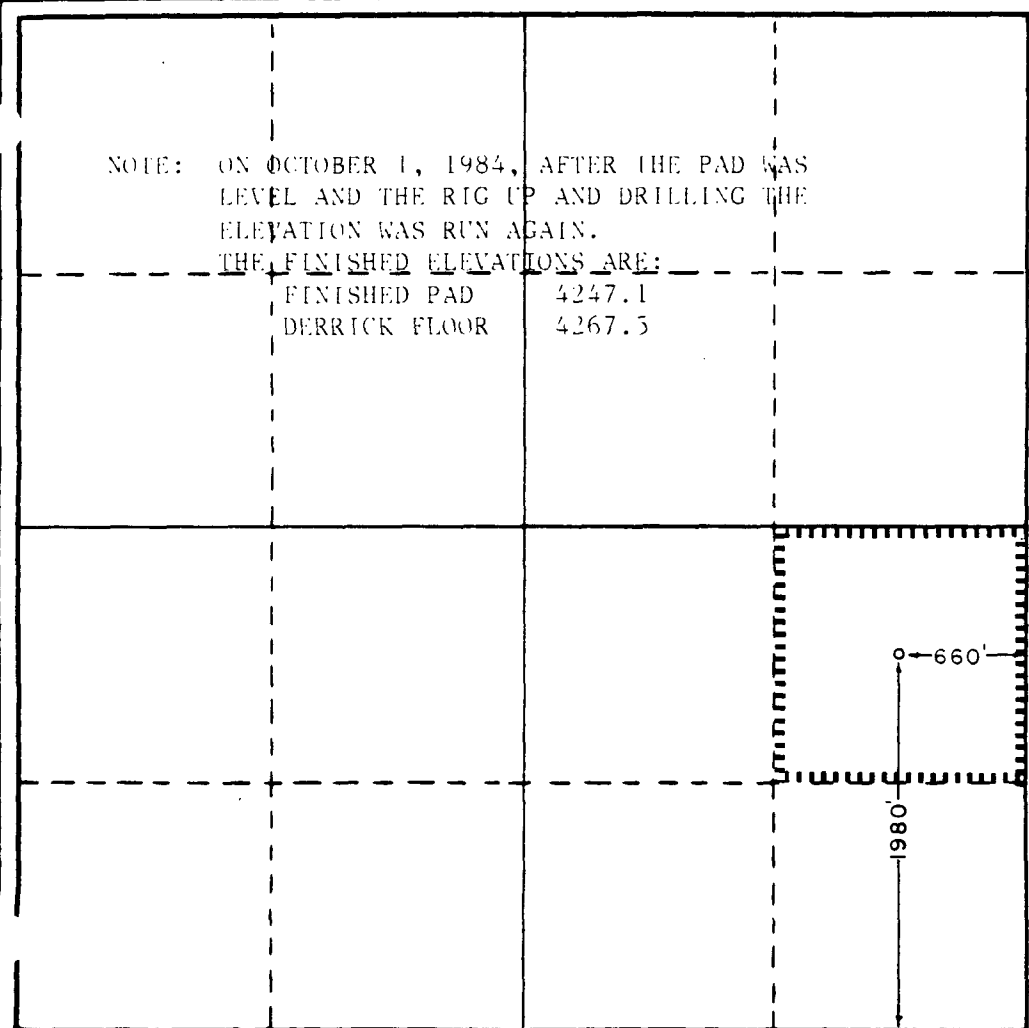
Operator PETRUS OPERATING CO., INC.		Lease STATE		Well No. 1
Unit Letter I	Section 34	Township 11S	Range 33E	County LEA
Actual Footage Location of Well: 1980 feet from the SOUTH line and 660 feet from the EAST line				
Ground Level Elev. 4245.5	Producing Formation Strawn	Pool Bagley - Lower Penn Gas		Dedicated Acreage: 40 Acres

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.

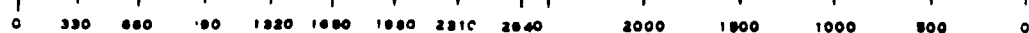
C. L. Hardy

Name C. L. Hardy
Position Drilling & Production Mgr
Company Petrus Operating Co., Inc.
Date January 24, 1985

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 5/7/84
Registered Professional Engineer and/or Land Surveyor <i>John W. West</i>

Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239

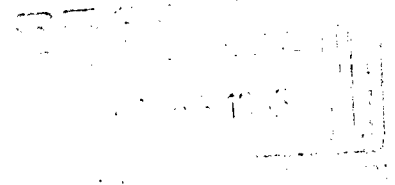


PETRUS OPERATING COMPANY, INC.

12201 MERIT DRIVE, SUITE 900

DALLAS, TEXAS 75251

214/387-0599



May 1, 1985

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. David Catanach

Re: Non-standard 40-Acre Unit
State Well No. 1
Bagley Lower Penn Field
Lea County, New Mexico

Dear Mr. Catanach:

Enclosed please find a copy of the executed Waiver Request for Gulf Oil Corporation. Also, I have enclosed a copy of the letter from Samuel Moore at Petro-Lewis forwarding the Waiver Request to Tipperary Corporation. I have not received any further responses from the parties notified.

Sincerely,

PETRUS OPERATING COMPANY, INC.

A handwritten signature in cursive script, reading "Suzann L. Jourdan", is written over the typed name.

Suzann L. Jourdan
Production Analyst

SLJ

Enclosures