

J&G ENTERPRISE LTD CO

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

RECEIVED
OIL CONSERVATION DIVISION
'95 JUN 1 AM 8 52

June 1, 1995

Mr. Michael Stogner
New Mexico Oil Conservation Commission
Oil & Gas Division
2040 South Pachico
Santa Fe, New Mexico 87505

RE: Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
Case #3642 Order #R-3305
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Stogner,

The undersigned respectfully request that the New Mexico Oil Conservation Commission grant J & G Enterprise Ltd., Co. waivers to Rules 2 and 4 of the North Osudo Morrow Gas Field Case #3642, Order #R-3305 with respect to the attached C-102 covering the above captioned well. A copy of the old C-102 is also attached for your review.

Copies of the Waiver Letters sent to the offset owners are enclosed. Therefore, it is requested that you grant administrative approval of our application.

May I hear from you?

Sincerely,



Derrel C. Melton

District I
 PO Box 1900, Hobbs, NM 88241-1900
 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

1 API Number		2 Pool Code		3 Pool Name North Osudo Morrow	
4 Property Code		5 Property Name Mallard Alves			6 Well Number 1
7 OGRID No.		8 Operator Name J&G Enterprise Ltd., Co.			9 Elevation 3648 DF

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
P	6	20S	36E		660'	South	990'	East	Lea

11 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

12 Ditch Acres 320	13 Joint or Infill Joint	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>SEE ORIGINAL Survey</p> <p><i>James Guy</i> Signature JAMES GUY Printed Name Lead Clerk Title Date July 24, 1995</p>	
						<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was placed 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.</p> <p>6/28/97 Date of Survey Signature and Seal of Professional Surveyor: HOMER OLSEN JR.</p>
						<p>Certificate Number</p>

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-12
Effective 1-1-65

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

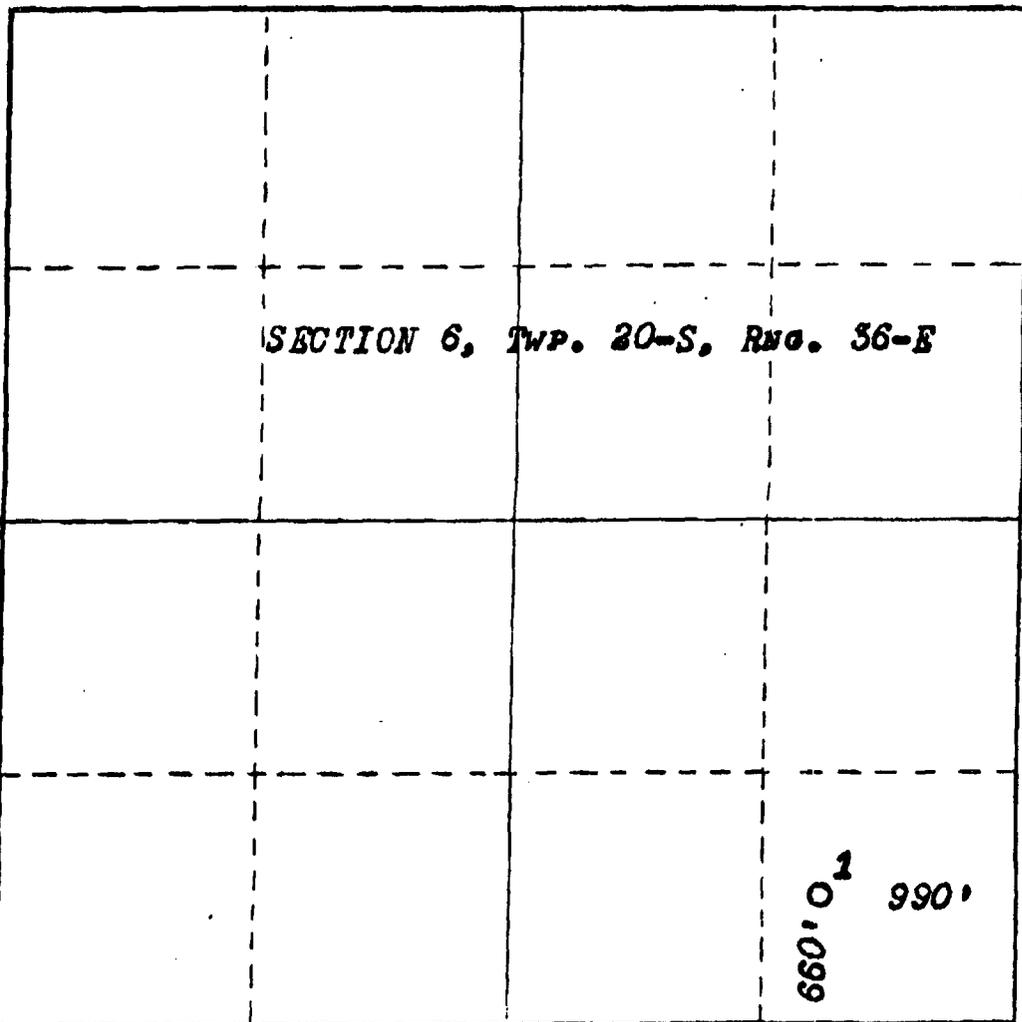
Operator Mallard Petroleum, Inc.			Lease Alves		Well No. 1
Unit Letter P	Section 6	Township 20-S	Range 36-E	County Lea	
Actual Footage Location of Well: 660 feet from the south line and 990 feet from the east line					
Ground Level Elev.	Producing Formation Morrow		Pool Wildcat	Dedicated Acreage: 40 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.

Name **Homer Olsen, Jr.**
 Position **Petroleum Engineer**
 Company **Mallard Petroleum, Inc.**
 Date **July 6, 1967**

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 **JUNE 28, 1967**
 Registered Professional Engineer and/or Land Surveyor

Certificate No. **754**

MALLARD PETROLEUM, INC.

1206 V & J TOWER
MIDLAND, TEXAS 79701

November 1, 1967

Area Code 915
PHONE MU 2-8217

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

RE: Request for Administrative Approval
of Unorthodox Location - Mallard
Petroleum, Inc., Alves No. 1 Well,
North Osudo-Morrow Gas Pool
Lea County, New Mexico

Gentlemen:

Mallard Petroleum, Inc. respectfully requests administrative approval for an exception to Rule 4 of the North Osudo-Morrow Gas Field Rules, for its Alves No. 1 Well. The Alves No. 1 Well, located 660' FSL and 990' FEL of Section 6, T-20-S, R-36-E, Lea County, New Mexico, is a recent Morrow gas completion.

Mallard's Alves No. 1 Well was drilled as a wildcat and was drilling above Morrow depth at the time field rules were adopted for the North Osudo-Morrow Gas Pool in August 1967. The well was drilled as a wildcat due to its location midway between Morrow oil production to the northwest (Shell Record No. EG 35-T-19-S, R-35-E) and Morrow gas production to the southeast (Hamon Merada-Federal No. 1 N 17 T-20-S, R-36-E.)

The attached plat shows the location of Mallard's Alves No. 1 with respect to the nearby Morrow oil and gas production mentioned above. The 640 acres to be assigned to the No. 1 Alves is outlined in red. The Morrow oil and gas producers are outlined in purple and blue respectively. As can be seen on the plat, only one of the Morrow gas producers would comply with the requirement of Rule 4 of the North Osudo-Morrow Gas Pool specifying locations no nearer than 1650' from section lines.

The pressure data available to Mallard at this time indicates a reasonable chance that the Morrow section open to the Alves No. 1 Well has been drained to a limited degree. The original bottom-hole pressure in Mallard's Alves No. 1 Well was 6450 psi, or 265 psi lower than the original pressure in Hamon's State E-8913 No. 1 with pressure compared at the same datum. This indication of drainage leads us to believe the Alves No. 1 should be placed in the North Osudo-Morrow Gas Pool.

Mr. Porter

- 2

The names and addresses of the offset operators are attached. These operators were notified of our request for an exception to Rule 4 of the North Osudomorrow Gas Pool rules on November 1, 1967. Waivers covering our request for exception to Rule 4 were requested from the offset operators on November 1, 1967.

Due to the likelihood of drainage and in order to protect our correlative rights, Mallard respectfully requests your early approval of the unorthodox location of the Alves No. 1 Well with respect to Rule 4 of the North Osudomorrow Gas Pool rules.

If we can provide any additional data, please advise.

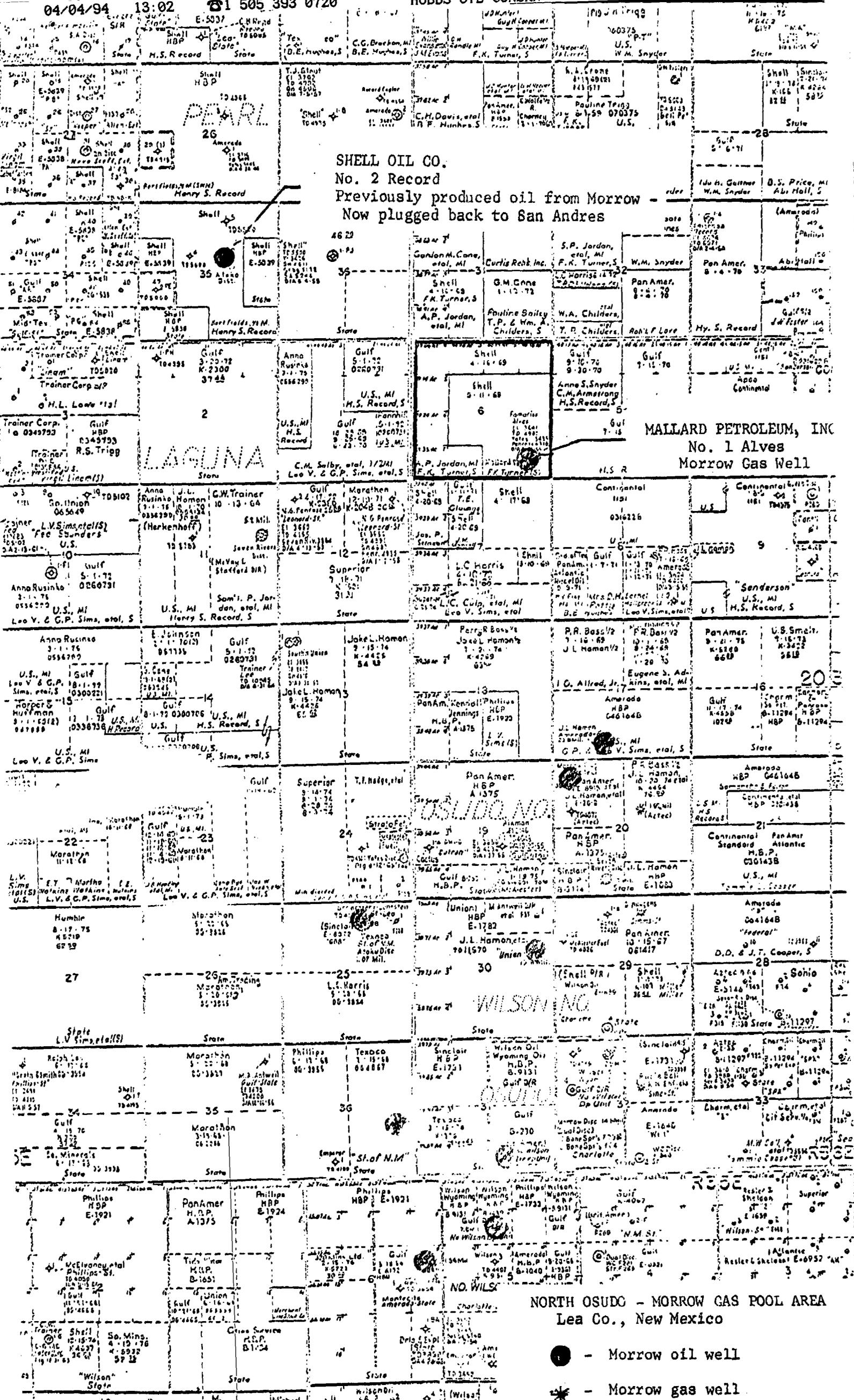
Yours very truly,

MALLARD PETROLEUM, INC.



Homer Olsen, Jr.
Petroleum Engineer

HO/rr
Attachments



SHELL OIL CO.
 No. 2 Record
 Previously produced oil from Morrow -
 Now plugged back to San Andres

MALLARD PETROLEUM, INC
 No. 1 Alves
 Morrow Gas Well

NORTH OSUDA - MORROW GAS POOL AREA
 Lea Co., New Mexico

- - Morrow oil well
- ★ - Morrow gas well

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

ALL NOTICES SENT CERTIFIED RETURN RECEIPT REQUESTED
8/11/95

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

RE: Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

For the purpose of the New Mexico Oil Conversation Commission granting administrative approval with respect to the following mentioned exceptions to the North Osudo Morrow Gas Field Rules, the undersigned, as offset owner to the above captioned well, does hereby grant to J & G Enterprise Ltd., Co., as operator, approval for a waiver to Rule 4, an unorthodox location (see attached plat), as well as, allow J & G Enterprise Ltd., Co. to designate the South-Half (S/2) of Section 6-T20S-R36E, Lea County, New Mexico as the spacing unit (waiver to Rule 2).

Company Name: _____

Signature: _____

Date: _____

District I
 PO Box 1908, Hobbs, NM 88241-1908
 District II
 PO Drawer DD, Artesia, NM 88211-4719
 District III
 1008 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

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7 OGRID No.		8 Operator Name J&G Enterprise Ltd., Co.			9 Elevation 3648 DF

10 Surface Location

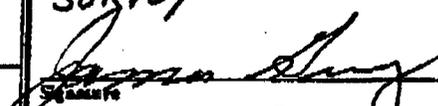
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
P	6	20S	36E		660'	South	990'	East	Lea

11 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

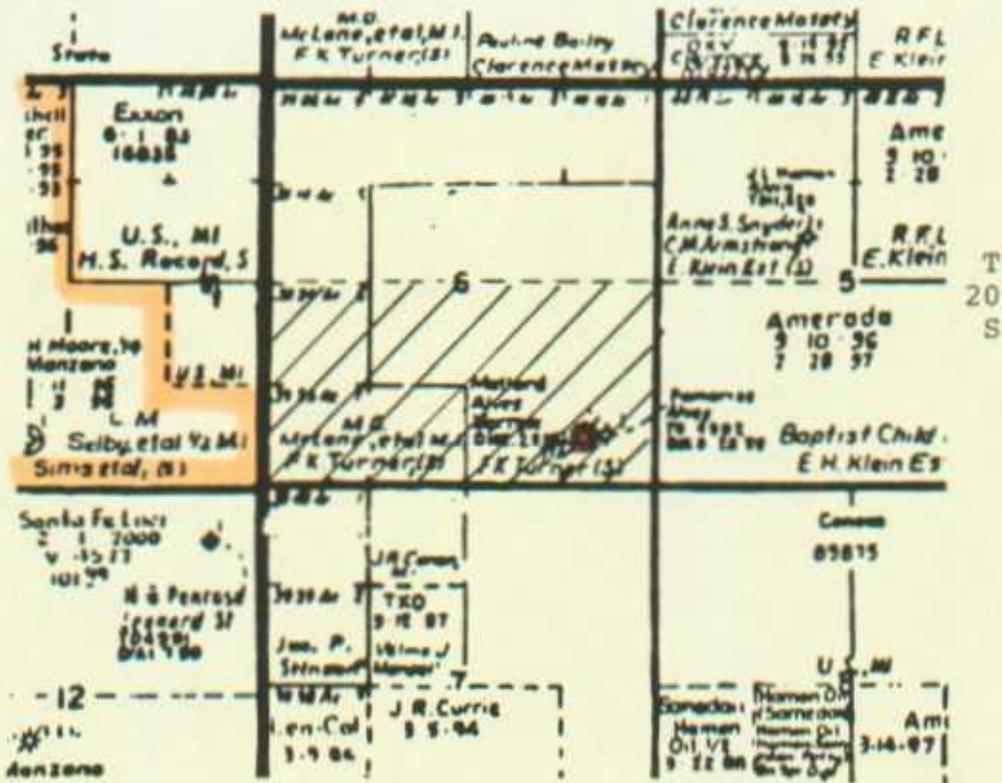
12 Ditch	13 Acres	14 Joint or Infill	15 Consolidation Code	16 Order No.
320		Joint		

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16	17 OPERATOR CERTIFICATION			
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. SEE ORIGINAL Survey  Signature JAMES GUY Printed Name Lead Clerk Title Date <u>July 24, 1995</u>			
660'	18 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. <u>6/28/95</u> Date of Survey Signature and Seal of Professional Surveyor: HOMER OLSEN JR. Certificate Number			

R35E

R36E



PROPOSED UNIT DESIGNATED FOR THE MALLARD ALVES #1



THE TRACT UNDER WHICH YOU HAVE OWNERSHIP

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Mary Nell Snyder Lawson
9041 North 54th Place
Paradise Valley, Arizona 85253

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Lawson,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Caro Eloise Jones
547 South Ash Street
Kermit, Texas 79745

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Jones,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

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P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Anne Sneed Snyder
Fred Snyder
P. O. Box 1797
Lubbock, Texas 79408

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. and Mrs. Snyder,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Margery Hills Snyder
Independent Executrix of the
Estate of Robert L. Snyder, Dec.
4610 16th Street
Lubbock, Texas 79416

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Snyder,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Frances Snyder Flood
10560 S. W. Highland Drive
Tigard, Ore. 97233

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Flood,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Richard S. Snyder
P.O. Box 516
Clayton, New Mexico 88415

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Snyder,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Charles E. Coombes, Jr.
P.O. Box 5021
San Angelo, Texas 76901

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Coombes,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

H. Aubrey Brooks and Maurice V. Brooks
Trustees for Mame Brooks
426 Grape Street
Abilene, Texas 79602

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Brooks,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Thelma Coombes
P. O. Box 5021
San Angelo, Texas 76901

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Coombes,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Beth C. Henagan
872 Amarillo Street
Abilene, Texas 79602

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Henagan,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Joe W. Coombes
P. O. Box 5021
Abilene, Texas 76901

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Coombes,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Hilroy Zack Coombes
P. O. Box 5021
San Angelo, Texas 76901

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Coombes,

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Aline Sims
Aline Sims Personal Rep. for G. P. Sims, Dec.
P. O. Box 1046
Eunice, New Mexico

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Sims,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Jerry C. Coombes, Jr.
P O. Box 5021
San Angelo, Texas 76901

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Coombes,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Charles E. Coombes, III
P.O. Box 5021
San Angelo, Texas 76901

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Coombes,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Leo V. Sims
423 East Baja Drive
Hobbs, New Mexico 88240

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Sims,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Minnie Lee Sims Kennann
Tom Kennann
P. O. Box 202
Eunice, New Mexico 88231

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. and Mrs. Kennann,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Mr. and Mrs. L. C. Brown
P.O. Box 123
Sylvester, Texas 79560

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. and Mrs. Brown,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Shane R. Spear
Personal Rep. of the Estate of Ellie I. Sims, Dec.
303 West Wall
Suite 1600
Midland, Texas 79701

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Spear,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Estate of Bertha E. Sims Daugherty, Dec.
Norwest Bank New Mexico
200 East Broadway
Hobbs, New Mexico 88240

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Gentlemen,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Ina Brown Williams
c/o L. C. Brown
P.O. Box 123
Sylvester, Texas 79560

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Brown,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Ima Brown Shout
312 N.W. Avenue G
Hamlin, Texas 79520

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Shout

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Nelle Brown Milner
1714 Robinson
Irving, Texas 75060

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Milner,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Irlene Brown
P.O. Box 278
Liberty Hills, Texas 78642

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Brown,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Mr. and Mrs. J. C. Turner
918 West Lake Drive
Hamlin, Texas 79520

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. and Mrs. Turner,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Cadmus Arthur Pursley
606 N.W. 12th Street
Andrews, Texas 79714

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Pursley,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Ruth E. Pursley Beyers
W. A. Beyers, Jr.
Route 1
Box 19
Zephyr, Texas 76890

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. and Mrs. Beyers,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Frank Bryant Rose
612 East Lea
Hobbs, New Mexico 88240

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Rose,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-0680

June 1, 1995

Mr. and Mrs. Lawrence H. Johnson
P.O. Box 159
Hobbs, New Mexico 88241

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. and Mrs. Johnson,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Kathleen Johnson
142 Blue Jay
Stephenville, Texas 76401

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Johnson,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

J. R. & B. L. Cannon Living Trust
J. R. and Betty L. Cannon, Trustees
P. O. Box 2405
Hobbs, New Mexico 88241

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. and Mrs. Cannon,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Katherine Pardue Wetzel
P. O. Box 50933
Midland, Texas 79710

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Wetzel,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

J. L. Everson
1400 Country Club Drive
Midland, Texas 79701

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Everson,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

John M. Wetzel
P.O. Drawer 2818
Midland, Texas 79702

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Wetzel,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Mr. Jerry West
Amoco Production Company
P.O. Box 3092
Houston, Texas 77253

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. West,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Mr. Larry Cunningham
Mitchel Energy Corporation
P.O. Box 4000
The Woodlands, Texas 77387

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Cunningham,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Mr. Monty D. McLane
P. O. Box 9451
Midland, Texas 79708

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. McLane,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Irene Jones Armstrong
4011 South Polk
Amarillo, Texas 79110

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Armstrong,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Amerada Hess Corporation
1201 Louisiana
Suite 700
Houston, Texas 77002

Attention: New Mexico Land Manager

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Gentlemen:

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Conoco, Inc.
10 Desta Drive West
Midland, Texas 79705

Attention: New Mexico Land Manager

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Gentlemen:

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Chevron U.S.A. Inc.
P.O. Box 1150
Midland, Texas 79702

Attention: New Mexico Land Manager

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Sir:

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

MWJR Petroleum Corp.
P. O. Box 3092
Houston, Texas 77253

Attention: New Mexico Land Department

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Gentlemen:

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P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

MW Petroleum Corp.
200 East Randolph Drive
Chicago, Ill. 60601

Attention: New Mexico Land Department

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Gentlemen:

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P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

ARCO Oil and Gas Company
P.O. Box 1610
Midland, Texas 79702

Attention: New Mexico Land Department

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Gentlemen:

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P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Exxon Company, U.S.A.
P.O. Box 1600
Midland, Texas 79702

Attention: New Mexico Land Department

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Gentlemen:

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P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Santa Fe Energy Resources, Inc.
515 West Texas
Suite 353
Midland, Texas 79702

Attention: New Mexico Land Department

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Gentlemen:

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P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Marathon Oil Company
P. O. Box 552
Midland, Texas 70702

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Gentlemen:

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ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

John J. and Charleen M. Wilkinson

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. and Mrs. Wilkinson,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

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P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Virginia Likens

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Likens,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

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P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Patricia Baker

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Baker,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

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505-746-9680

June 1, 1995

June Danglade Speight

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Speight,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

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ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Virginia Selby

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Selby,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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June 1, 1995

Don D. Spain

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Spain,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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505-746-9680

June 1, 1995

Sue Stotlar

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Stotlar,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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505-746-9680

June 1, 1995

Nancy Anderson Olson

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Olson,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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505-746-9680

June 1, 1995

Janet Anderson Loeffler

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Loeffler,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Gary Anderson Fell

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Fell,

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ARTESIA, NEW MEXICO 88211-0100
505-746-0680

June 1, 1995

Kenneth Donald Anderson

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Anderson,

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James Guy

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ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Karen Sue Anderson

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Anderson,

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Richard S. Anderson

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Anderson,

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James Guy

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P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-0580

June 1, 1995

The W. A. Yeager Group

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Gentlemen,

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James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Mary Bunting

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Bunting,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Robert Bunting

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Bunting,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Robert Thomas Hartley
Teddy Lowe Hartley

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Linda W. Farreta

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Farreta,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9080

June 1, 1995

Ben L. Ferguson

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Mr. Ferguson

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Dana S. Burgett

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Burgett,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

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Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Paige A. Smith

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Smith,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

June 1, 1995

Elizabeth Jill Buzzard

RE Mallard Alves #1 Re-entry
North Osudo Morrow Gas Field
S/2 of Section 6-T20S-R36E
Lea County, New Mexico

Dear Ms. Buzzard,

Attached in triplicate (3) for your consideration and execution with respect to the proposed re-entry of the above captioned well is a request for a waiver to Rule 2 (we are requesting a 320 acre unit as opposed to the required 640 acre unit) and Rule 4 (the original well was drilled at an unorthodox location - 660' FSL and 990' FEL) of the North Osudo Morrow Gas Field.

After your review please execute two (2) copies of the enclosed Request for Waiver, and return same in the attached postage paid and self-addressed envelope.

It is respectfully requested that you return the above mentioned items by August 10, 1995.

Should you have any questions concerning the above please do not hesitate to contact the undersigned.

Sincerely,

James Guy

J&G ENTERPRISE LTD CO.

P.O. BOX 100, 703 EAST MAIN STREET
ARTESIA, NEW MEXICO 88211-0100
505-746-9680

OIL CONSERVATION DIVISION
RECEIVED

'95 JU 26 AM 8 52

June 1, 1995

Mr. Michael Stogner
New Mexico Oil Conservation Commission
Oil & Gas Division
2040 South Pachico
Santa Fe, New Mexico 87505

RE: Mallard Alves #1 Re-entry
North Osudo Morrow
Gas Field
S/2 of Section 6-20S-36E
Lea County, New Mexico

Dear Mr. Stogner,

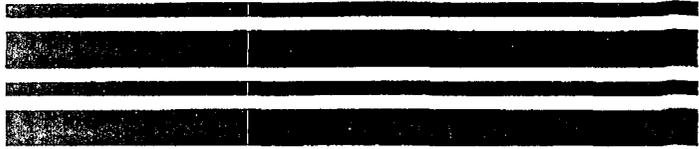
For the purpose of the New Mexico Oil Conservation Commission granting administrative approval with respect to the below mentioned exceptions to the North Osudo Morrow Gas Field Rules, the undersigned, as an ~~offset owner to the above~~ captioned well, does hereby grant to J & G Enterprise Ltd., Co., as operator, approval for a waiver to Rule 4, an unorthodox location (see attached plat), as well as, allow J & G Enterprise Ltd., Co. to designate the South-Half (S/2) of Section 6-20S-36E as the spacing unit (waiver to Rule 2).

Signature

James E. Long, Vice President

Date

July 24, 1995



Patch T

Sec : 06 Twp : 20S Rng : 36E Section Type : NORMAL

6 39.24 Federal owned	K 40.00 Fee owned	J 40.00 Fee owned	I 40.00 Fee owned
7 39.35 Federal owned	N 40.00 Fee owned	O 40.00 Fee owned	P 40.00 Fee owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

78.59

80

80

80

158.59
16

318.59

Sec : 06 Twp : 20S Rng : 36E Section Type : NORMAL

4 39.06 Federal owned	3 40.08 Federal owned	2 40.13 Federal owned	1 40.18 Federal owned
5 39.14 Federal owned	F 40.00 Fee owned	G 40.00 Fee owned	H 40.00 Fee owned

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

78.20

80.08

80.13

86.18

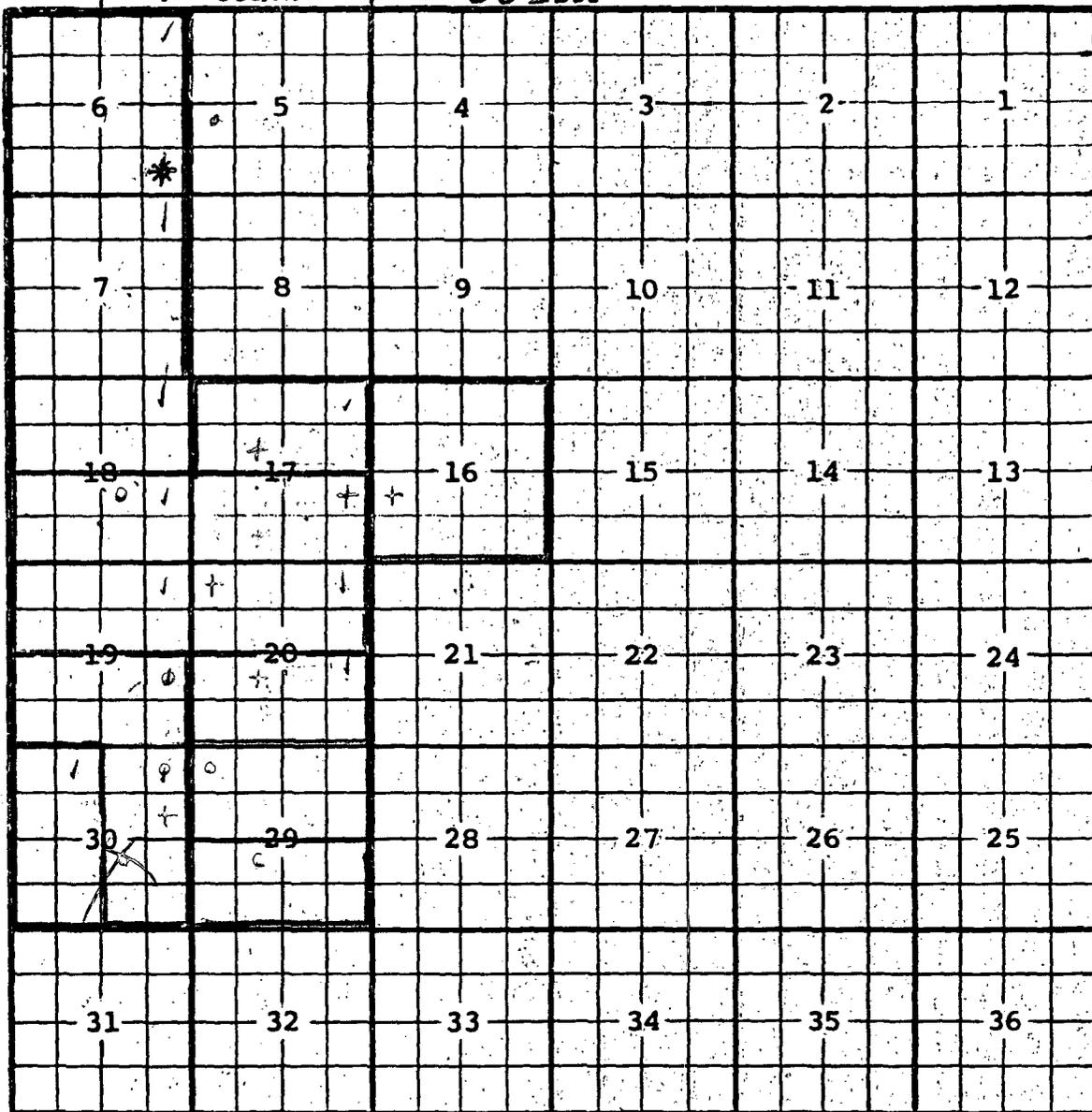
COUNTY *Lea*

POOL *North Osudo - Morrow Gas*

TOWNSHIP *20 South*

RANGE *36 East*

NMPM



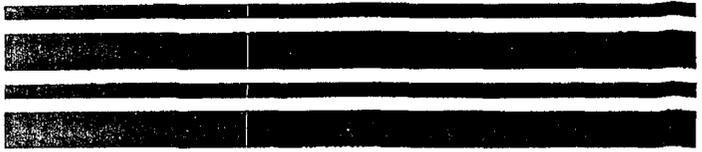
Description: 1/2 Sec. 17; 1/2 Sec. 18; 1/2 Sec. 19; 1/2 Sec. 20 (R-2937, 7-13-65)

Ext: 1/2 Sec. 19; 1/2 Sec. 30 (R-3152, 12-1-66) - 1/2 Sec. 17; 1/2 Sec. 20; 1/2 Sec. 30 (R-3305, 8-29-67)

- All Sec. 647; 1/2 Sec. 18 (R-3342, 12-1-67) Ext: 1/2 Sec. 29 (R-6005, 6-1-79)

Ext: 1/2 Sec. 29 (R-6476, 10-1-80) Ext: All Sec. 16 (R-6526, 2-10-81)

WELL S T R	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC 1993	PROD	MP	ACCU	
=====																
OSUDO MORROW, SOUTH (GAS)			PM		12M TO 13M											
=====																
AMERADA HESS CORPORATION																
STATE WEX																
1F1521535E	GAS	469	80	8		1695	3296	1682	870	877	452	2994	12423	6333644		
	OIL													129063		
	WAT													565		
STATE WEL																
1K1021535E	GAS	1589	1395	1543	1538	1588	1528	1776	1890	1872	1649	1860	1769	19997	698278	
	OIL	51	36	41	37	41	38	35	37	35	34	40	43	468	17342	
COMPANY TOTAL																
	OIL	51	36	41	37	41	38	35	37	35	34	40	43	468	146405	
	GAS	2058	1475	1551	1538	1588	3223	5072	3572	2742	2526	2312	4763	32420	7031922	
	WAT													565		
CODY ENERGY INC.																
P.O. OSUDO STATE COM																
1G1621535E	GAS	3098	2708	3228	2354	2583	2433	2288	2529	2327	2225	2145	2207	30125	175594	
	OIL			11		9								20	410	
	WAT	22			23		36	1						110	163	
HUNT INDUSTRIES, LTD.																
STATE 15																
1M1521535E	GAS	PLUGGING APPROVED 1989														413442
	OIL															29764
	WAT															764
=====																
OSUDO MORROW, WEST (GAS)			PM		12M TO 13M											
=====																
AMOCO PRODUCTION CO																
BEST GAS COM																
1G2320535E	GAS	ZONE ABANDONED														149980
	OIL															11982
	WAT															150
HELLER CO. TRUST COM A																
1E2420535E	GAS	ZONE ABANDONED														21509
	OIL															530
	WAT															69
STATE LL																
1K1220535E	GAS	RECOMPLETED TO LEA UNDES BONE SPRING (GAS)														2067
	OIL															186
	WAT															154
COMPANY TOTAL																
	OIL															12698
	GAS															173556
	WAT															373
BLAKE PRODUCTION CO. INC.																
SOUTHEAST LEA UNIT																
1J2620535E	GAS	LAST PROD. DATE 10/90														374767
	OIL															57961
	WAT															374
2L2520535E	GAS	310	535	1403	787	679	645	1019	944	853	990	834	846	10045	346964	
	OIL	91	64	169	55	94	102	112	74	80	107	77	88	1113	20305	
	WAT	3	5	5	3	2	2	1	2	2	2	2	2	31	1767	
3G2620535E	GAS	RECOMPLETED TO LEA WOLFCAMP, SOUTHEAST (GAS)														2333728
	OIL															24985
	WAT															1270
COMPANY TOTAL																
	OIL	91	64	169	55	94	102	112	74	80	107	77	88	1113	103251	
	GAS	310	535	1403	787	679	645	1019	994	853	990	834	846	10095	3075459	
	WAT	3	5	5	3	2	2	1	2	2	2	2	2	31	6761	
ENRON OIL & GAS CO.																
SIMS 35 STATE																
1B3520535E	GAS	18	16			1	18	4	18	7	9	5	2	98	2270656	
	OIL	131	156		25	55	192	220	173	104	192	206	119	1573	52012	
	WAT	28	6				231		45	14	45	48		437	1486	
2J3520535E	GAS	LAST PROD. DATE 12/91														2025489
	OIL															12527
	WAT															2959
COMPANY TOTAL																
	OIL	131	156		25	55	192	220	173	104	192	206	119	1573	64539	
	GAS	18	16			1	18	4	18	7	9	5	2	98	4296145	
	WAT	28	6				231		45	14	45	48		437	4443	
MARATHON OIL COMPANY																
JORDAN B																
1O1120535E	GAS	LAST PROD. DATE 12/91														397383
	OIL															17588
	WAT															187
MITCHELL ENERGY CORP.																
FEDERAL AG COM																
1F1420535E	GAS	13082	11712	13006	12652	13135	12585	12546	12025	11290	10315	9947	10762	143057	2168903	
	OIL	910	636	611	549	662	505	541	478	332	397	237	590	6468	142296	
	WAT	31	28	31	30	17		20	30	30	31	30	31	309	1102	
WATKINS A GAS COM																
1G2220535E	GAS	RECOMPLETED TO FEATHERSTONE BONE SPRING														395621
	OIL															33353
	WAT															9166
WATKINS B GAS COM																
1K2320535E	GAS	17895	15799	17067	16331	17523	11605	6015	17160	16659	13848	11636	3032	164570	2205452	
	OIL	308	445	501	163	234	212	40	181	168	367	47	129	2797	208377	
	WAT	31	28	31	3	17			17	30	31	30	12	230	1153	
COMPANY TOTAL																
	OIL	1218	1081	1112	714	896	717	581	659	500	764	304	719	9265	384226	
	GAS	30977	27511	30073	28983	30658	24190	18561	29185	27949	24163	21583	13794	307627	4769976	
	WAT	62	56	62	33	34		20	47	60	62	60	43	539	11401	
HEARBURG PRODUCING COMPANY																
HOT TAMALE STATE																
1A3420535E	GAS	PLUGGING APPROVED 1990														119
=====																
OSUDO WOLFCAMP, SOUTH (GAS)			WC		10M TO 11M											
=====																
AMERADA HESS CORPORATION																
STATE WEX																
1F1521535E	GAS	LAST PROD. DATE 03/84														25373
	OIL															439
=====																
OSUDO WOLFCAMP, SOUTHWEST (GAS)			WC		10M TO 11M											
=====																
BTA OIL PRODUCERS																
BYERS, 8005 JV-B																
1M2320535E	GAS	7226	4287	7675	7613	7758	8116	7358	8526	8557	8676	8968	9409	94169	901395	
	OIL	1048	761	975	1060	1102	744	978	994	998	1248	1112	1033	12071	139844	
	WAT	8339	6256	4597	8198	8448	7752	6510	8469	8190	8175	7938	8587	91459	838459	
OTIS MORROW (GAS)																
PM			11M TO 12M													
=====																
APEXCO INC.																
HENRI GRANDI																
1K2622527E	GAS	PLUGGING APPROVED 1976														31104
	OIL															359
BIRD CREEK RESOURCES INC.																
DUNN																
1O2522527E	GAS	1029	787	1106	1292	1215	1150	1060	1113	1146	1141	1084	1497	13618	457327	
	OIL															22
	WAT															261
CITIES SERVICE COMPANY																
WALTERSCHIED COM																
1G3522527E	GAS	PLUGGING APPROVED 1976														81500
	OIL															307
	WAT															185
NATIONAL ENERGY GROUP INC.																
MARGIS																
1G2422527E	GAS	3391	2407	4185	3597	3667	3591	3482	3404	3500	3574	2617	3002	40417	317516	
	OIL															12
	WAT															104
SANTA FE ENERGY OPERATING PARTNERS, L.P.																
JOHNSON																
1E2422527E	GAS	1855	2944	2983	3906	3426	1882	876	326	1895	1043	995	2207	24338	898470	
	OIL															391
	WAT															323



Patch T

OIL CONSERVATION DIVISION

August 22, 1995

J & G Enterprises Ltd. Company
 c/o Derrel C. Melton
 Oil and Gas Interests
 5495 Belt Line Road - Suite 353
 Dallas, Texas 75240

Re: Administrative Application for the creation of a non-standard 318.59-acre gas spacing and proration unit; Mallard Exploration, Inc. Alves Well No. 1 (API No. 30-025-22191) located 660'FSL -990'FEL (Unit P) of Section 6, Township 20 South, Range 36 East, NMPM, North Osudo-Morrow Gas Pool, Lea County, New Mexico.

Dear Mr. Melton:

Reference is made to your application of August 1, 1995 for the formation of a non-standard 318.59-acre (S/2 equivalent) gas spacing and proration unit in the unprorated North Osudo-Morrow Gas Pool to be dedicated to the existing Mallard Exploration, Inc. Alves Well No. 1, located 660 feet from the South line and 990 feet from the East line (Unit P) of Section 6, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico. The North Osudo-Morrow Gas Pool is currently spaced on 640-acre spacing, pursuant to the "*Special Rules and Regulations for the North Osudo-Morrow Gas Pool*", as promulgated by Division Order No. R-3305, as amended, which also takes in effect Division Memorandums dated July 27, 1988 and August 3, 1990 (see copies attached). Sections 70-2-17 and 18, N.M.S.A., 1978 provides for the compulsory pooling of acreage in order to form a standard spacing unit or drilling tract when two or more separately owned tracts of land are embraced within a spacing or proration unit.

Before I may process the subject application, further explanation will be required: (1) why is it necessary to create the proposed 318.59-acre unit instead of forming a standard 640-acre, more or less, unit; (2) what steps have been taken by J & G Enterprises to reach a voluntary agreement to consolidate all of said Section 6 to form a standard 640-acre, more or less, gas spacing and proration unit for this well in the North Osudo-Morrow Gas Pool; (3) how will correlative rights best be served by severing this acreage from a standard 640-acre, more or less, unit; and, (4) how will waste be prevented and the drilling of an unnecessary well be avoided should it be necessary for a well to be drilled in the severed acreage in order to prevent drainage that may be caused by the subject well from this undedicated tract.

Should there be any questions or comments concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,



Michael E. Stogner
 Chief Hearing Examiner/Engineer

cc: Oil Conservation Division - Hobbs
 William J. LeMay, Director - OCD, Santa Fe

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNORPOST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 875
(505) 827-5800MEMORANDUM

TO: ALL OPERATORS

FROM: WILLIAM J. LEMAY, DIRECTOR *WJL*

SUBJECT: RULE 104 C II OF THE GENERAL RULES AND REGULATIONS

DATE: JULY 27, 1988

There has been some confusion about interpretation of the subject rule. In each paragraph of sections (a), (b) and (c) the rule states:

"Unless otherwise provided in special pool rules, each development well for a defined gas pool shall be located on a tract..."

My interpretation of this sentence is that each well is to be located on its own individual specified unit and an additional well is not authorized simply by meeting the set back requirements of the rule.

This interpretation is necessary to prevent waste from the drilling of unnecessary wells and to protect correlative rights of all parties in the pool. Since the prorated pools have special pool rules the subject rules have greater impact on unprorated gas. Unprorated does not mean unregulated. Allowables are not issued in unprorated pools and the only method available to protect correlative rights is the control of well density and locations. Added well density required because of special geological situations can be addressed by special pool rules after notice and hearing.

Applications for additional wells on existing proration units will be approved only on the understanding that upon completion of the well the operator shall elect which well will be produced and which will be abandoned. Application to produce both wells will be approved only after notice and hearing and upon compelling evidence that the applicant's correlative rights will be impaired unless both wells are produced.

dr/

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2068
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5900

MEMORANDUM

TO: ALL OPERATORS

FROM: WILLIAM J. LEMAY, DIRECTOR *WJL*

SUBJECT: RULE 104 C II OF THE GENERAL RULES AND REGULATIONS

DATE: AUGUST 3, 1990

On July 27, 1988, we sent a memorandum to all operators to explain the Division's procedures for ensuring compliance with the above rule in handling applications for additional wells on existing proration units. The procedures are primarily applicable in unprorated gas pools.

The final paragraph of the July 27 memo reads as follows:

"Applications for additional wells on existing proration units will be approved only on the understanding that upon completion of the well the operator shall elect which well will be produced and which will be abandoned. Application to produce both wells will be approved only after notice and hearing and upon compelling evidence that the applicant's correlative rights will be impaired unless both wells are produced."

Additional explanation of the intent of the above paragraph is set out below:

Application to produce both wells continuously and concurrently will be approved only after notice and hearing and upon compelling evidence that the applicant's correlative rights will be impaired unless both wells are produced.

Requests to produce the wells alternately (one well shut-in while the other produces) may be submitted for administrative handling. The request should set out the length of the producing and shut-in cycles for each well (a one month minimum is suggested), the proposed method for ensuring compliance with the proposed producing and shut-in schedules, and the reasons for the request. Notice should be provided to offset operators in the usual manner, allowing a 20-day waiting period. The application should be sent to Santa Fe with a copy to the appropriate District office.