



Encore

Operating, L.P.

*A Subsidiary of
Encore Acquisition Company*

JAN 28 2008
OCD-ARTESIA

777 Main Street
Suite 1400
Fort Worth, Texas 76102
(817) 877-9955
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January 25, 2008

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division - District II
Attn: Bryan Arrant
1301 W. Grand Ave.
Artesia, NM 88210

RE: Encore "32" Loafer Com # 1
Sec. 32 T21S- R23E, Eddy County

Dear Mr. Arrant:

Per your email dated January 22, 2008 enclosed please find the following items you had requested for the above referenced well APD.

- * Detailed drilling mud and cementing program.
- * Directional plan
- * C-102 with penetration point and producing acreage
- * Copy of letter sent to Santa Fe for Administrative Approval for NSL
- * H2S plan will be submitted as soon as received from Drilling Engineer

If you have any questions or further information is needed, please do not hesitate to contact me at (817)877-9955 or via email awiley@encoreacq.com.

Sincerely,

Ann Burdette Wiley
Regulatory Compliance Supervisor

Enclosure



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January 25, 2008

New Mexico oil Conservation Division
Attn: David Brooks
1220 South St. Francis
Santa Fe, NM 87505

Re: Request for Administrative Approval
Of Non-Standard Location
Encore "32" Loafer Com # 1
BHL 2310' FNL & 1980' FWL
Sec. 32 T21S R23E
Eddy County, NM

Dear Mr. Brooks:

Encore Operating, L.P. here by request NMOCD administrative approval for a non-standard location. With your approval we plan to produce the Encore "32" Loafer Com # 1 as a gas well in the Morrow Formation.

Base on statewide rules (320 acre proration unit for gas wells), the bottom hole location is a non-standard location, encroaching on an internal proration boundary. This is a directional well with the surface location selected as to minimize surface impact due to topographic relief and to best mitigate subsurface risks.

This is a communitized unit therefore no offset operator notice is necessary as this location encroaches only on an internal proration boundary.

Attached for your review is a C-102.

Sincerely,

Ann Burdette Wiley
Regulatory Compliance Manager

Enclosure

Cc: Bryan Arrant - NMOCD Dist. II