

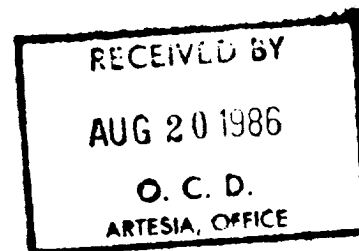


THE EASTLAND OIL COMPANY

P.O. DRAWER 3488
560 ONE MARIENFELD PLACE
MIDLAND, TEXAS 79702
TELEPHONE: (915) 683-6293

July 29, 1986

Oil Conservation Division
State of New Mexico
Energy and Minerals Department
P.O.Box 2088
Santa Fe, New Mexico 87501



Attn: Mr. David Catanach

Re: Amended Administrative
Order NSL-2096

Gentlemen:

By Administrative Order NSL-2096, dated July 23, 1985, the Oil Conservation Division granted a non-standard location for The Eastland Oil Company's Carthel Federal No. 2. This Atoka Wildcat re-entry was located 2030 feet from the North line and 2080 feet from the East line of Section 5, Township 23 South, Range 29 East in Eddy County. The N/2 of Section 5 was dedicated to the well.

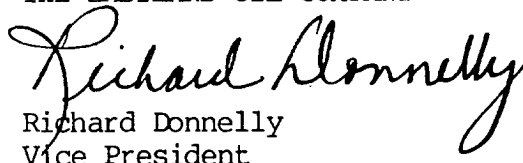
At the request of Eastland, the Oil Conservation amended this order to change the dedicated acreage to the E/2 of Section 5. An approved Communitization Agreement effective March 20, 1986 from the Bureau of Land Management in Roswell, New Mexico was obtained.

Additional geological information indicates that the development of the acreage in Section 5 would best be continued by dedicating the N/2 of this section to Carthel Federal No. 2. Therefore, it is requested that the administrative Order NSL-2096 (amended) be changed to permit the non-standard location in the North Salado Atoka Gas Pool with the N/2 of Section 5 dedicated to the well.

An amended Form 102 is attached and a copy has been filed with the Artesia office of the Oil Conservation Division. A copy of the termination of the Communitization Agreement (#NM061P35-86C344) is also included.

Yours very truly,

THE EASTLAND OIL COMPANY


Richard Donnelly
Vice President