



Dorchester Exploration, Inc.

1100 Midland National Bank Tower
Midland, Texas 79701

(915) 683-1866

October 30, 1979

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

Attention: Mr. Joe D. Ramey, Director

Re: Morton Solid State Unit Well No. 1
Tres Papalotes Pool
2156' FNL & 990' FWL, Range 34-East
Section 4, Township 15-South
Lea County, New Mexico

Gentlemen:

Drilling permit for the above captioned well was issued on June 14, 1979 to Petroleum Development Corporation for the drilling of a 13,500 feet Morrow Formation test with the stipulation that if a well was drilled and completed in the Tres Papalotes Penn it would be necessary to secure approval on a Non-Standard Location. The drilling permit was amended on July 30, 1979 to show Dorchester Exploration, Inc. as operator, proposed depth to 11,200 feet and from Wildcat to Tres Papalotes with NSL approval still required if completed as a producing well.

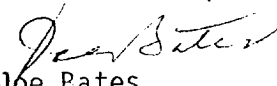
This well has now been drilled to a total depth of 11,200 feet and completion is now in progress from Penn perforations at 10,366 to 10,380 feet. The oil production from this well will be within the vertical and horizontal limits of the Tres Papalotes Pool.

This well was spudded prior to Dorchester assuming operations thereof and would have been a legal location had it been drilled and completed as a wildcat in the Morrow Formation. Therefore, Dorchester respectfully requests that the commission approve their application for an unorthodox location to permit this well to produce from the Tres Papalotes Pool.

To assist in the timely process of our application, we are attaching a certified plat showing the well location and the offset operators that are being furnished copy of this application by certified United States Mail this date.

Very truly yours,

Dorchester Exploration, Inc.


Joe Bates
Proration Administrator

JB/pp

cc: Offset Operators

A Subsidiary of Dorchester Gas Corporation