



AE Order Number Banner

Report Description

This report shows an AE Order Number in Barcode format for purposes of scanning. The Barcode format is Code 39.



App Number: pDD00000122002

DD - 12

NORTH AMERICAN ROYALTIES INC

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

February 2, 1987

POST OFFICE BOX 2086
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

North American Royalties Inc.
Claydesta Center Downtown
306 West Wall - Suite 1400
Midland, Texas 79701

Attention: Kevin L. Widner, Petroleum Engineer

ADMINISTRATIVE ORDER DD-12

Gentlemen:

Under the provisions of Rule 111 (C) and (D), North American Royalties Inc. made application to the New Mexico Oil Conservation Division on January 2, 1987, for permission to directionally drill and complete for production their LCC State Well No. 1.

The Division Director Finds That:

(1) The application has been duly filed under the provisions of Rule 111 (D) of the Division Rules and Regulations;

(2) Satisfactory information has been provided that all offset operators have been duly notified;

(3) The applicant, North American Royalties Inc. proposes to drill their LCC State Well No. 1 at a surface location 2160 feet from the South line and 510 feet from the East line (Unit I) of Section 11, Township 16 South, Range 36 East, NMPM, Undesignated Northeast Lovington Pennsylvanian Pool, Lea County, New Mexico.

(4) The applicant seeks to directionally drill said well by kicking off from the vertical at a depth of approximately 850 feet and drilling in such a manner as to penetrate the pool at a standard oil well location in the NW/4 SW/4 (Unit L) of Section 12, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico.

(5) The N/2 SW/4 of said Section 12 should be dedicated to the well forming a standard 80-acre oil spacing and proration unit in said pool.

(6) The applicant should be required to determine the subsurface location of the bottom of the hole by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling, if said well is to be completed as a producing well.

(7) Approval of the subject application will prevent the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, North American Royalties Inc., is hereby authorized to directionally drill its LCC State Well No. 1 from a surface location 2160 feet from the South line and 510 feet from the East line (Unit I) of Section 11, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, by kicking off from the vertical at a depth of approximately 850 feet, and drilling in such a manner as to penetrate the Undesignated Northeast Lovington Pennsylvanian Pool at a standard well location in the NW/4 SW/4 (Unit L) of Section 12, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, that prior to the above-described directional drilling, the applicant shall establish the location of the kick-off point by conducting a continuous multi-shot directional survey of the well.

PROVIDED FURTHER, that subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, P. O. Box 2088, Santa Fe, New Mexico 87501, and the operator shall notify the Division's Hobbs District Office of the date and time said survey is to be commenced.

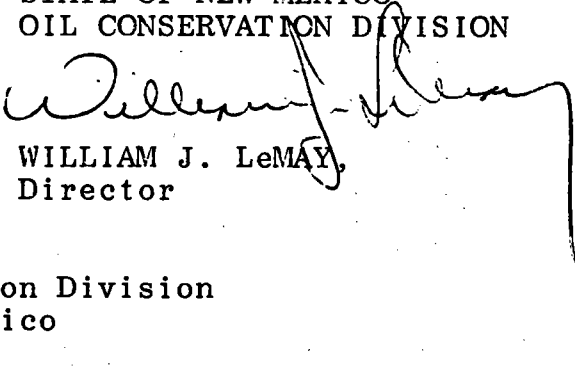
(2) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(3) The N/2 SW/4 of said Section 12 shall be dedicated to the subject well forming a standard 80-acre oil spacing and proration unit in said well.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

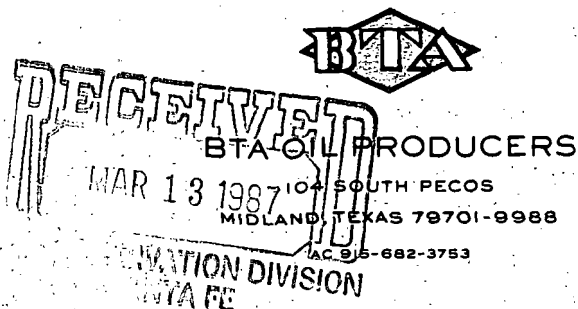
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LeMAY,
Director

S E A L

cc: Oil Conservation Division
Hobbs, New Mexico

PARTNERS
CARLTON BEAL
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL



March 11, 1987

DD-12

M.R.

In Re: North American Royalties
LCC State Well No. 1
Lea County, New Mexico

Mr. Kevin L. Widner
North American Royalties
Claydesta Center Downtown
306 West Wall, Suite 1400
Midland, Tx 79701

Dear Mr. Widner:

BTA does not object to drilling the above well to complete it at a legal bottom-hole location in the Strawn. However, the C-101 form filed for this well shows a proposed depth of 12,300', adequate to test the Atoka.

BTA Oil Producers will oppose a later unorthodox well location request for an Atoka gas completion using an existing well bore as a basis.

Yours truly,

Steve Salmon
BTA

SS/clh

cc: Jerry Sexton
William J. Le May



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

Date Jan. 28, 1987

TONY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Operator North American Royalties, Inc.
Claydesta Center Downtown
306 West Wall - Suite 1400
Midland, Texas 79701
Attention: Kevin L. Widner
Petroleum Engineer

M.S.
2/3/87

ADMINISTRATIVE ORDER DD- 12

Gentlemen:

Under the provisions of Rule 111 (C) and (D), North American Royalties, Inc. made application to the New Mexico Oil Conservation Division on January 2, 1987, for permission to directionally drill and complete for production their LCC State Well No. 1.

The Division Director Finds That:

(1) The application has been duly filed under the provisions of Rule 111 (D) of the Division Rules and Regulations;

(2) Satisfactory information has been provided that all offset operators have been duly notified;

(3) The applicant, North American Royalties, Inc., ~~is~~ proposes to ~~drill~~ the owner and operator of their LCC State Well No. 1 ~~the~~ at a surface location of which ~~is~~ 2160 feet from the South line and 510 feet from the East line of Section 11, Township 16 South, Range 36 East, N.M.P.M., Undersigned Northeast Lovington Pool, Lea County, New Mexico.

(4) The applicant seeks to directionally drill said well by kicking off from the vertical at a depth of approximately 850 feet and drilling in such a manner as to penetrate ~~the~~ the Pool ~~formation within 50 feet of a~~ point ~~feet from the~~ line and ~~feet from the~~ line of Section

at a standard ~~formation~~ oil well location
(Unit)
in the NW 1/4 SW 1/4 of Section 12, Township 16 South, Range
36 East, N.M.P.M., Lea County, New Mexico.

(5) The N/2 SW/4 ^{well} of Section 12 should be dedicated to the well forming a standard 30-acre oil sharing and protection unit ^{in said pool.}

(6) The applicant should be required to determine the subsurface location of the bottom of the hole by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling, if said well is to be completed as a producing well.

(7) Approval of the subject application will prevent the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, North American Royalties, Inc. is hereby authorized to directionally drill its 600 State Well No. 1 from a 12 surface location 2160 feet from the South line and 510 feet from the East line of Section 12, Township 16 South, Range 36 East, N.M.P.M. Pool, by kicking off from the vertical at a depth of approximately 850 feet, and drilling in such a manner as to penetrate the formation within 80 feet of a point feet from the line and feet from the line of Section standard well location in the NW/4 SW/4 (Unit 1) of Section 12, Township 16 South, Range 36 East, N.M.P.M., Lea County, New Mexico Underwritten Northland Properties at Permian Basin Pool

PROVIDED HOWEVER, that prior to the above-described directional drilling, the applicant shall establish the location of the kick-off point by conducting a continuous multi-shot directional survey of the well.

PROVIDED FURTHER, that subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, P. O. Box 2088, Santa Fe, New Mexico 87501, and the operator shall notify the Division's Hobbs District Office of the date and time said survey is to be commenced.

(2) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(3) The N/2 SW/4 of said Section 12 shall be dedicated to the subject well *forming a standard 80-acre oil survey and division unit in the said pool.*

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

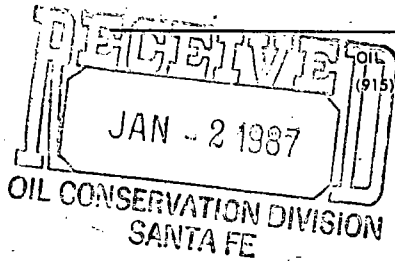
~~R. L. STAMETS,~~
~~Acting Director~~

William J. LeMay
Director

S E A L

L.C. MOCO Hobbs

NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION
(915) 683-4836

CLAYDESTA CENTER DOWNTOWN
306 WEST WALL - SUITE 1400
MIDLAND, TEXAS 79701

December 29, 1986

State of New Mexico
Energy and Minerals Department
P.O. Box 2088
Santa Fe, New Mexico 87504

Attention: Mike Stockner

Re: Request for Approval to
Drill a Deviated-Hole
LCC State Well No. 1
Lea County, New Mexico

Dear Mr. Stockner:

North American Royalties, Inc. is hereby requesting approval to intentionally drill a deviated hole in Lea County, New Mexico. The proposed surface location is 2130' FSL and 510' FEL, Section 11, T-16-S, R-36-E, with the bottom-hole location being in Section 12, 330' FWL and 2310' FSL, T-16-S, R-36-E (see attached plat).

The subject well will be directionally-drilled because the optimum bottom-hole location, determined geologically and by seismic, is directly beneath the Lovington County Club parking lot. Therefore, from a surface location approximately 850' southwest from the bottom-hole location, the well will be drilled to 7200', kicked-off and directionally-drilled to a target radius of 50' from the bottom-hole location.

Notification letters to all off-set operators of the unit for which the permit to deviate is sought were sent out on December 29, 1986.

If you have any questions or need additional information, please contact me at (915) 683-4836.

Sincerely yours,

Kevin L. Widner
Petroleum Engineer

KLW:mmr

Attachment

NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION
(915) 683-4836

CLAYDESTA CENTER DOWNTOWN
306 WEST WALL - SUITE 1400
MIDLAND, TEXAS 79701

December 29, 1986

State of New Mexico
Energy and Minerals Department
P.O. Box 2088
Santa Fe, New Mexico 87504

Attention: Mike Stockner

Re: Request for Approval to
Drill a Deviated-Hole
LCC State Well No. 1
Lea County, New Mexico

Dear Mr. Stockner:

North American Royalties, Inc. is hereby requesting approval to intentionally drill a deviated hole in Lea County, New Mexico. The proposed surface location is 2130' FSL and 510' FEL, Section 11, T-16-S, R-36-E, with the bottom-hole location being in Section 12, 330' FWL and 2310' FSL, T-16-S, R-36-E (see attached plat).

The subject well will be directionally-drilled because the optimum bottom-hole location, determined geologically and by seismic, is directly beneath the Lovington County Club parking lot. Therefore, from a surface location approximately 850' southwest from the bottom-hole location, the well will be drilled to 7200', kicked-off and directionally-drilled to a target radius of 50' from the bottom-hole location.

*Northeast
Lovington
Stream*

Notification letters to all off-set operators of the unit for which the permit to deviate is sought were sent out on December 29, 1986.

If you have any questions or need additional information, please contact me at (915) 683-4836.

Sincerely yours,

Kevin L. Widner
Petroleum Engineer

KLW:mmr

Attachment

NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION
(915) 683 - 4836

CLAYDESTA CENTER DOWNTOWN
306 WEST WALL - SUITE 1400
MIDLAND, TEXAS 79701

December 29, 1986

State of New Mexico
Energy and Minerals Department
P.O. Box 2088
Santa Fe, New Mexico 87504

Attention: Mike Stockner

Re: Request for Approval to
Drill a Deviated-Hole
LOC State Well No. 1
Lea County, New Mexico

Dear Mr. Stockner:

North American Royalties, Inc. is hereby requesting approval to intentionally drill a deviated hole in Lea County, New Mexico. The proposed surface location is 2130' FSL and 510' FEL, Section 11, T-16-S, R-36-E, with the bottom-hole location being in Section 12, 330' FWL and 2310' FSL, T-16-S, R-36-E (see attached plat).

The subject well will be directionally-drilled because the optimum bottom-hole location, determined geologically and by seismic, is directly beneath the Lovington County Club parking lot. Therefore, from a surface location approximately 850' southwest from the bottom-hole location, the well will be drilled to 7200', kicked-off and directionally-drilled to a target radius of 50' from the bottom-hole location.

Notification letters to all off-set operators of the unit for which the permit to deviate is sought were sent out on December 29, 1986.

If you have any questions or need additional information, please contact me at (915) 683-4836.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "K. Widner".

Kevin L. Widner
Petroleum Engineer

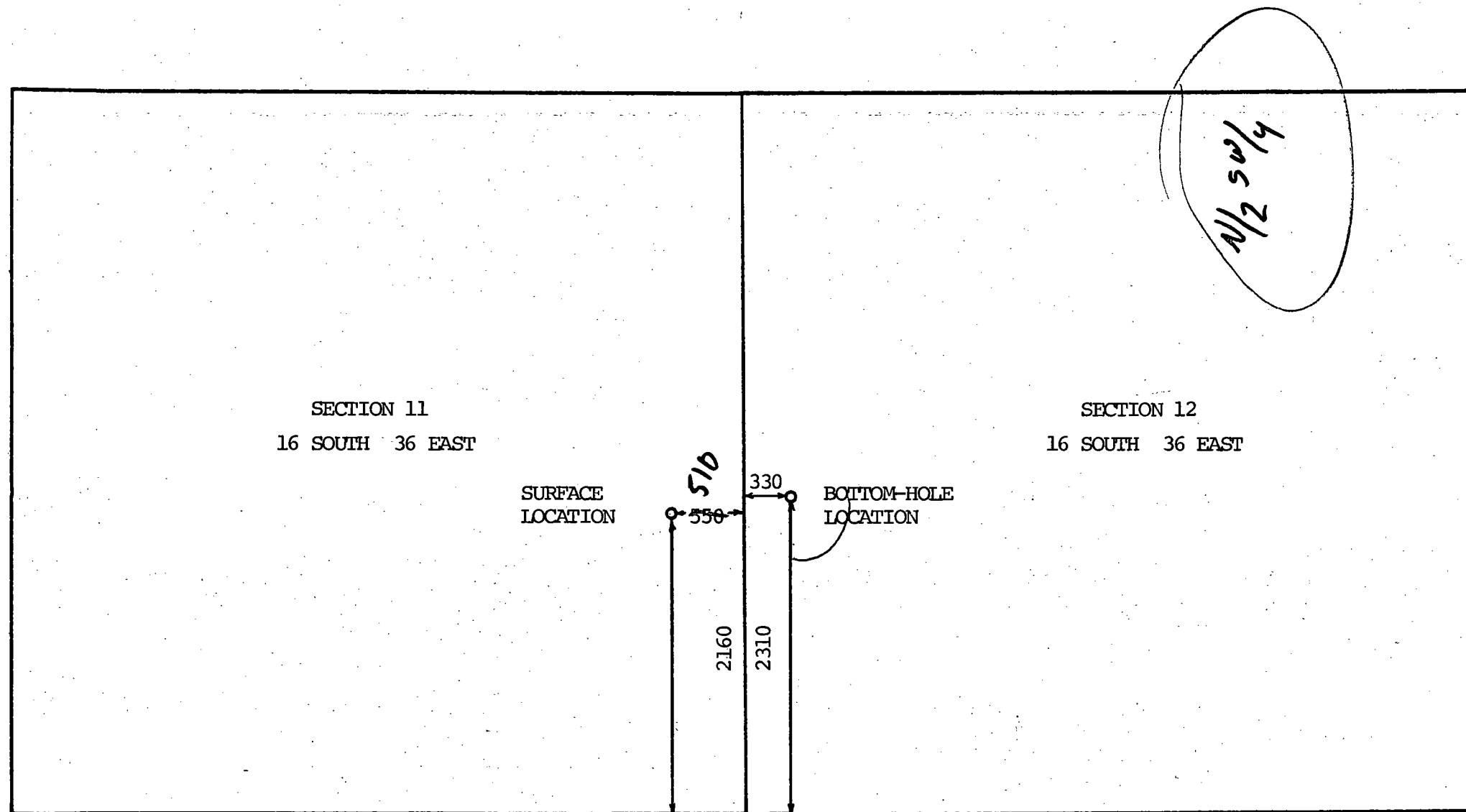
KLW:mmr

Attachment

NORTH AMERICAN ROYALTIES, INC.

LCC STATE WELL NO. 1

LEA COUNTY, NEW MEXICO

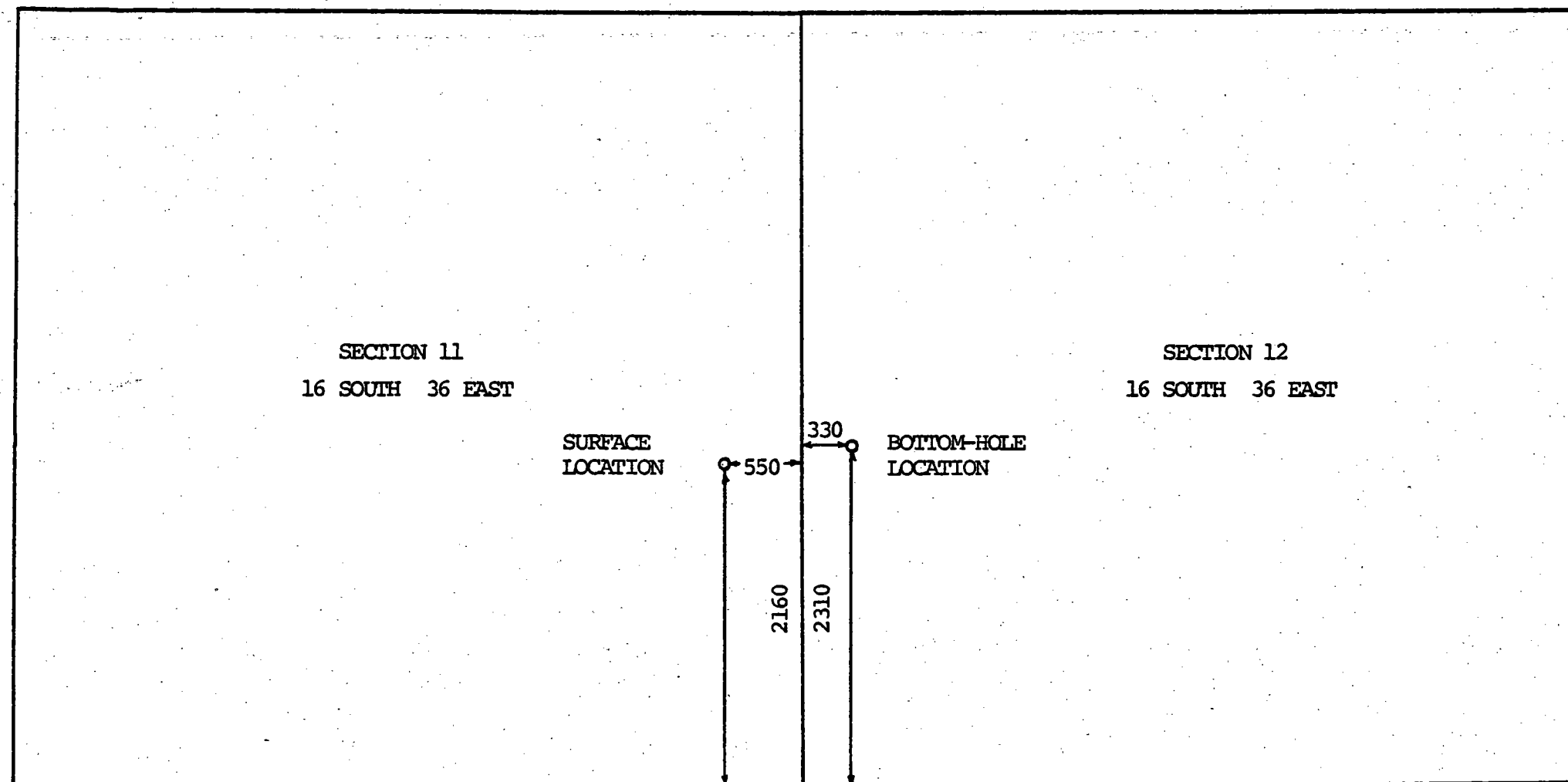


SCALE: 1" = 1000'

NORTH AMERICAN ROYALTIES, INC.

LCC STATE WELL NO. 1

LEA COUNTY, NEW MEXICO

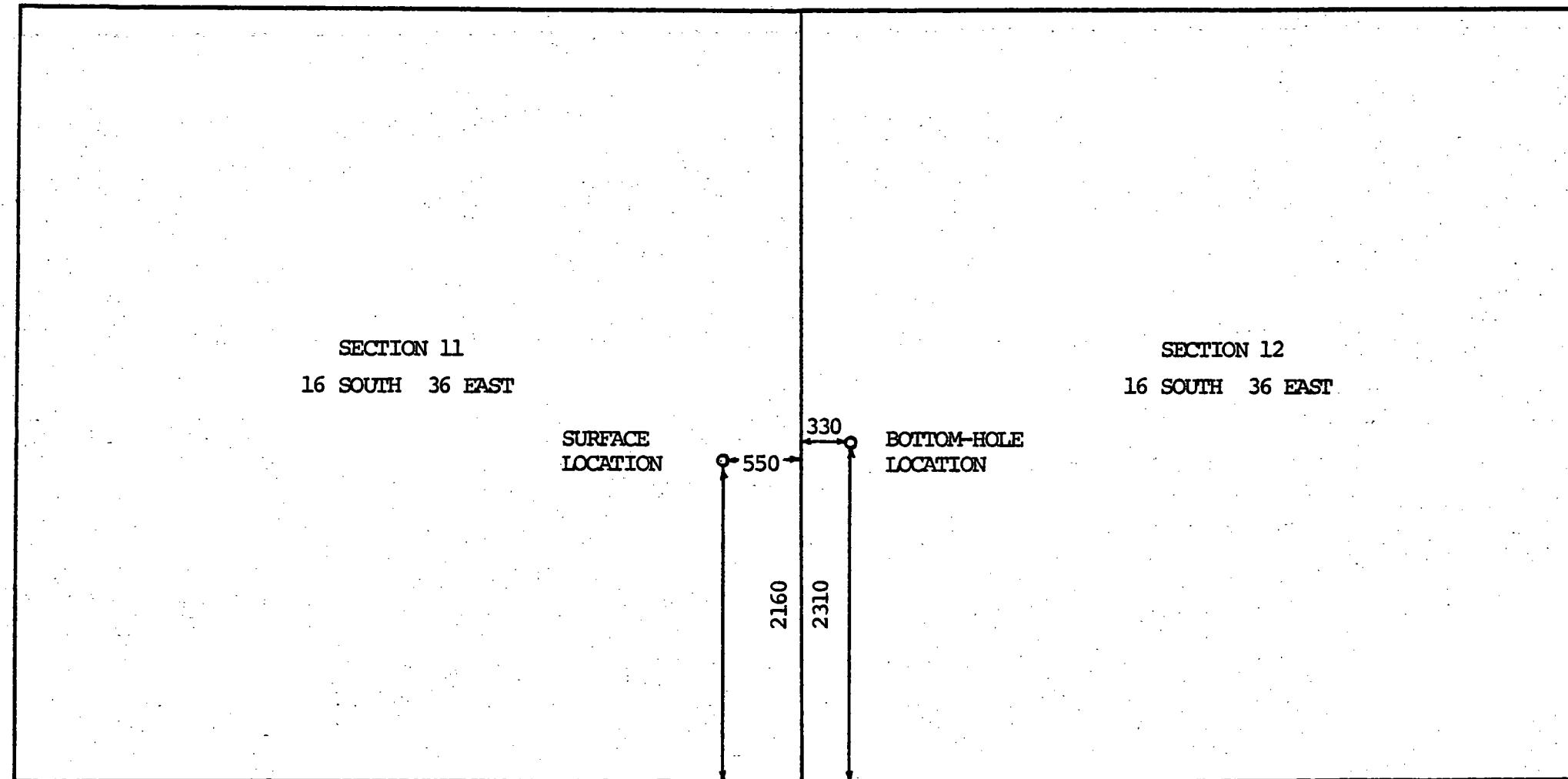


SCALE: 1" = 1000'

NORTH AMERICAN ROYALTIES, INC.

LOC STATE WELL NO. 1

LEA COUNTY, NEW MEXICO



SCALE: 1" = 1000'

**NEW 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 North American Royalties, Inc.			Lease LCC-State		Well No. #1
Unit Letter I	Section 11	Township 16 South	Range 36 East	County Lea	
Actual Footage Location of Well: 2160 feet from the South line and 510 feet from the East line					
Ground Level Elev. 3880.9	Producing Formation		Pool		Dedicated Acreage: 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.

NOTE: This well is to be directionally drilled. The bottom hole location will be 2310 feet F.S.L. 330 feet F.W.L. of Section 12; Township 16 South, Range 36 East.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name _____

Position _____

Company _____

Date _____

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

November 7, 1986

Registered Professional Engineer and/or Land Surveyor

Certificate No. **JOHN W. WEST, 676**

RONALD J. EIDSON, 3239

86560

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

**NEW 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 North American Royalties, Inc.			Lease LCC-State		Well No. #1
Unit Letter I	Section 11	Township 16 South	Range 36 East	County Lea	
Actual Footage Location of Well: 2160 feet from the South line and 510 feet from the East line					
Ground Level Elev. 3880.9	Producing Formation		Pool	Dedicated Acreage: 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.

NOTE: This well is to be directionally drilled. The bottom hole location will be 2310 feet F.S.L. 330 feet F.W.L. of Section 12; Township 16 South, Range 36 East.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name _____

Position _____

Company _____

Date _____

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

November 7, 1986

Registered Professional Engineer and/or Land Surveyor

Certificate No. **JOHN W. WEST, 676**

RONALD J. EIDSON, 3239



**NEW 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 North American Royalties, Inc.			Lease LCC-State		Well No. #1
Unit Letter I	Section 11	Township 16 South	Range 36 East	County Lea	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 2160 feet from the South line and 510 feet from the East line </div>					
Ground Level Elev. 3880.9	Producing Formation		Pool	Dedicated Acreage: 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.

NOTE: This well is to be directionally drilled. The bottom hole location will be 2310 feet F.S.L. 330 feet F.W.L. of Section 12; Township 16 South, Range 36 East.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name _____

Position _____

Company _____

Date _____

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

November 7, 1986

Registered Professional Engineer and/or Land Surveyor

Certificate No. **JOHN W. WEST, 476**

RONALD J. EIDSON, 3239



NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION
(915) 683-4836

CLAYDESTA CENTER DOWNTOWN
306 WEST WALL - SUITE 1400
MIDLAND, TEXAS 79701

December 29, 1986

TO: OFFSET OPERATORS
(SEE ATTACHED LIST)

Re: LCC State Well No. 1
Lea County, New Mexico

Gentlemen:

In compliance with the Oil Conservation Division of New Mexico, this is notification that North American Royalties, Inc. plans to drill a directional hole in Lea County, New Mexico with the surface location being in Section 11, 2160' FSL and 510' FEL, T-16-S, R-36-E, and the bottom-hole location being 2310' FSL and 330' FWL of Section 12, T-16-S, R-36-E.

If you have any questions, please contact me at (915) 683-4836.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "KLW", is written above the typed name.

Kevin L. Widner
Petroleum Engineer

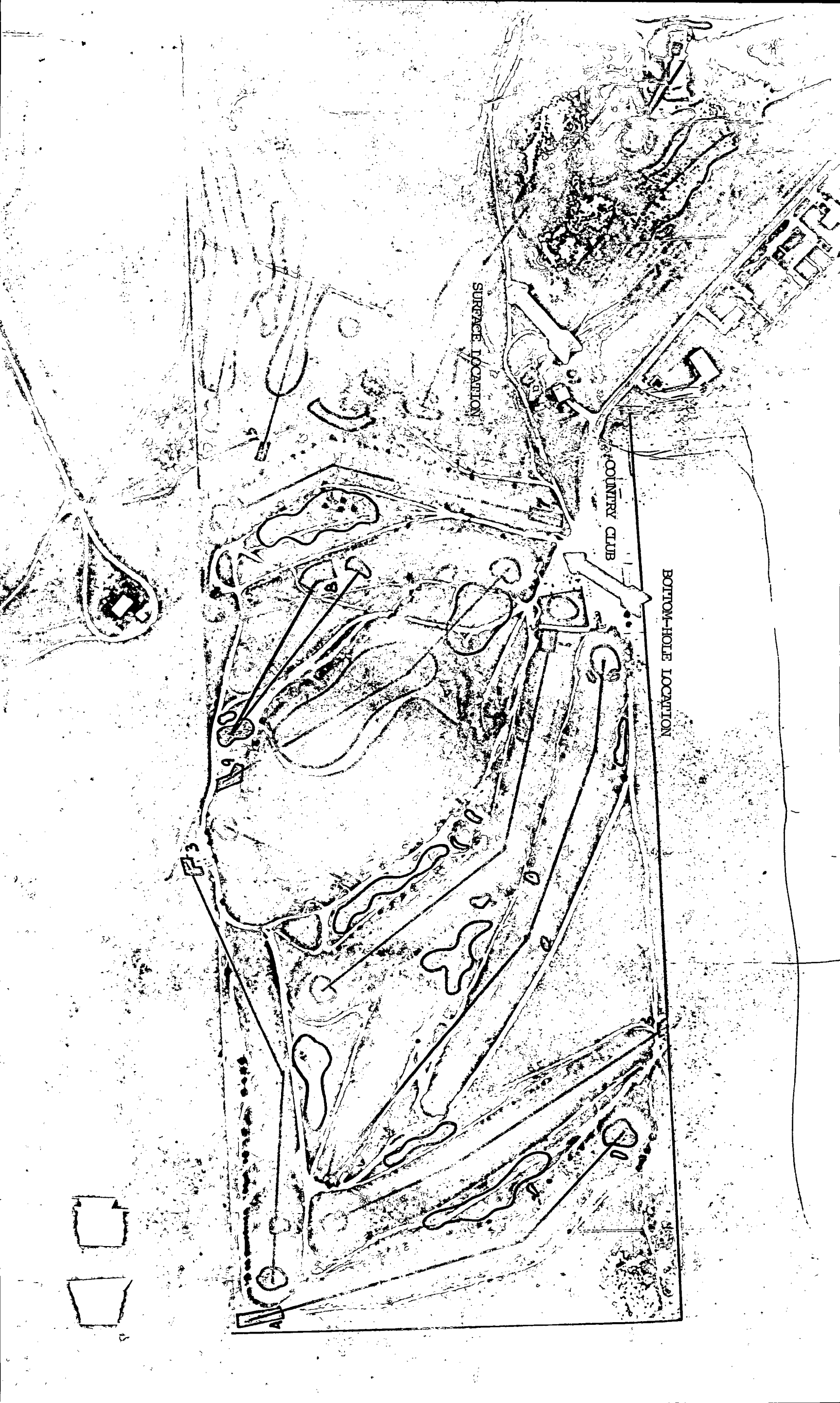
KLW:mmr

Attachment

OFFSET OPERATORS
LCC STATE WELL NO. 1
LEA COUNTY, NEW MEXICO

- (1) Amerada Hess Corporation
1200 Milam, 6th Floor
Houston, Texas 77002
ATTENTION: Gregory J. Morton
- (2) American Cometra, Inc.
500 Throckmorton Street
Suite 2104
Fort Worth, Texas 76102
ATTENTION: Mr. Zack Brittain
- (3) Bass Enterprises Production Company
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102
ATTENTION: William A. Hamilton
- (4) BTA Oil Producers
104 S. Pecos
Midland, Texas 79701
ATTENTION: Win J. Farquhar
- (5) Estoril Producing Corporation
400 W. Illinois, No. 1600
Midland, Texas 79701
ATTENTION: Mr. Flynt Chancellor
- (6) Mesa Petroleum Company
One Mesa Square
P.O. Box 2009
Amarillo, Texas 79189
ATTENTION: R. W. Petrie
- (7) Polaris Production Corporation
P.O. Box 1749
Midland, Texas 79702
ATTENTION: Mr. Davis Payne
- (8) Republic Bank First Nat'l-Midland
P.O. Box 270
Midland, Texas 79702
ATTENTION: Mr. Robert C. Boothe
Vice-President/Manager
Trust Property Division
Trust Nos. 1190 and 1191
- (9) Sequoyah Oil and Gas Company
900 N. 14th
P.O. Box 742
Fort Smith, Arkansas 72902
ATTENTION: Frank W. Brant
- (10) Sun Exploration & Production Company
P.O. Box 2880
Dallas, Texas 75221
ATTENTION: C. J. La Fleur
- (11) Swift Energy Company
16825 Northchase Drive, No. 400
Houston, Texas 77060
ATTENTION: Mr. Scott McDonald
- (12) Tesoro Petroleum Corporation
8700 Tesoro Drive
San Antonio, Texas 78286
ATTENTION: Kenneth N. Durham
- (13) Texaco, Inc.
500 N. Loraine Street
Midland, Texas 79701
ATTENTION: Land Manager





SURFACE LOCATION

COUNTRY CLUB

BOTTOM-HOLE LOCATION



SURFACE LOCATION

COUNTRY CLUB

BOTTOM-HOLE LOCATION

NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION
(915) 683-4836

CLAYDESTA CENTER DOWNTOWN
306 WEST WALL - SUITE 1400
MIDLAND, TEXAS 79701

December 29, 1986

TO: OFFSET OPERATORS
(SEE ATTACHED LIST)

Re: LOC State Well No. 1
Lea County, New Mexico

Gentlemen:

In compliance with the Oil Conservation Division of New Mexico, this is notification that North American Royalties, Inc. plans to drill a directional hole in Lea County, New Mexico with the surface location being in Section 11, 2160' FSL and 510' FEL, T-16-S, R-36-E, and the bottom-hole location being 2310' FSL and 330' FWL of Section 12, T-16-S, R-36-E.

If you have any questions, please contact me at (915) 683-4836.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "KLW".

Kevin L. Widner
Petroleum Engineer

KLW:mmm

Attachment

OFFSET OPERATORS
LOC STATE WELL NO. 1
LEA COUNTY, NEW MEXICO

- (1) Amerada Hess Corporation
1200 Milam, 6th Floor
Houston, Texas 77002
ATTENTION: Gregory J. Morton
- (2) American Cometra, Inc.
500 Throckmorton Street
Suite 2104
Fort Worth, Texas 76102
ATTENTION: Mr. Zack Brittain
- (3) Bass Enterprises Production Company
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102
ATTENTION: William A. Hamilton
- (4) BTA Oil Producers
104 S. Pecos
Midland, Texas 79701
ATTENTION: Win J. Farquhar
- (5) Estoril Producing Corporation
400 W. Illinois, No. 1600
Midland, Texas 79701
ATTENTION: Mr. Flynt Chancellor
- (6) Mesa Petroleum Company
One Mesa Square
P.O. Box 2009
Amarillo, Texas 79189
ATTENTION: R. W. Petrie
- (7) Polaris Production Corporation
P.O. Box 1749
Midland, Texas 79702
ATTENTION: Mr. Davis Payne
- (8) Republic Bank First Nat'l-Midland
P.O. Box 270
Midland, Texas 79702
ATTENTION: Mr. Robert C. Boothe
Vice-President/Manager
Trust Property Division
Trust Nos. 1190 and 1191
- (9) Sequoyah Oil and Gas Company
900 N. 14th
P.O. Box 742
Fort Smith, Arkansas 72902
ATTENTION: Frank W. Brant
- (10) Sun Exploration & Production Company
P.O. Box 2880
Dallas, Texas 75221
ATTENTION: C. J. La Fleur
- (11) Swift Energy Company
16825 Northchase Drive, No. 400
Houston, Texas 77060
ATTENTION: Mr. Scott McDonald
- (12) Tesoro Petroleum Corporation
8700 Tesoro Drive
San Antonio, Texas 78286
ATTENTION: Kenneth N. Durham
- (13) Texaco, Inc.
500 N. Loraine Street
Midland, Texas 79701
ATTENTION: Land Manager

NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION
(915) 683-4836

CLAYDESTA CENTER DOWNTOWN
306 WEST WALL - SUITE 1400
MIDLAND, TEXAS 79701

December 29, 1986

TO: OFFSET OPERATORS
(SEE ATTACHED LIST)

Re: LOC State Well No. 1
Lea County, New Mexico

Gentlemen:

In compliance with the Oil Conservation Division of New Mexico, this is notification that North American Royalties, Inc. plans to drill a directional hole in Lea County, New Mexico with the surface location being in Section 11, 2160' FSL and 510' FEL, T-16-S, R-36-E, and the bottom-hole location being 2310' FSL and 330' FWL of Section 12, T-16-S, R-36-E.

If you have any questions, please contact me at (915) 683-4836.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "KLW".

Kevin L. Widner
Petroleum Engineer

KLW:mmr

Attachment

OFFSET OPERATORS
LCC STATE WELL NO. 1
LEA COUNTY, NEW MEXICO

- (1) Amerada Hess Corporation
1200 Milam, 6th Floor
Houston, Texas 77002
ATTENTION: Gregory J. Morton
- (2) American Cometra, Inc.
500 Throckmorton Street
Suite 2104
Fort Worth, Texas 76102
ATTENTION: Mr. Zack Brittain
- (3) Bass Enterprises Production Company
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102
ATTENTION: William A. Hamilton
- (4) BTA Oil Producers
104 S. Pecos
Midland, Texas 79701
ATTENTION: Win J. Farquhar
- (5) Estoril Producing Corporation
400 W. Illinois, No. 1600
Midland, Texas 79701
ATTENTION: Mr. Flynt Chancellor
- (6) Mesa Petroleum Company
One Mesa Square
P.O. Box 2009
Amarillo, Texas 79189
ATTENTION: R. W. Petrie
- (7) Polaris Production Corporation
P.O. Box 1749
Midland, Texas 79702
ATTENTION: Mr. Davis Payne
- (8) Republic Bank First Nat'l-Midland
P.O. Box 270
Midland, Texas 79702
ATTENTION: Mr. Robert C. Boothe
Vice-President/Manager
Trust Property Division
Trust Nos. 1190 and 1191
- (9) Sequoyah Oil and Gas Company
900 N. 14th
P.O. Box 742
Fort Smith, Arkansas 72902
ATTENTION: Frank W. Brant
- (10) Sun Exploration & Production Company
P.O. Box 2880
Dallas, Texas 75221
ATTENTION: C. J. La Fleur
- (11) Swift Energy Company
16825 Northchase Drive, No. 400
Houston, Texas 77060
ATTENTION: Mr. Scott McDonald
- (12) Tesoro Petroleum Corporation
8700 Tesoro Drive
San Antonio, Texas 78286
ATTENTION: Kenneth N. Durham
- (13) Texaco, Inc.
500 N. Loraine Street
Midland, Texas 79701
ATTENTION: Land Manager