W & H Production-Drilling. Inc.

Drilling and Completion Consultants

March 27, 1922 1 V E D

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ROUTE 2 5000 W. INDUSTRIAL MIDLAND, TEXAS 79701

NSV 3-30-72 NSV 3-30-72 Nour Mr. NWWWW Mr. D. S. Nutter, Chief Engineer, New Mexico Oil Conservation Commission, State Land Office Building, Santa Fe, New Mexico.

Re: Black River Corporation's Cities 3 Federal Well No. 1 Unit F, Sec. 3, T 26 S., R 24 E, Eddy County, New Mexico.

Dear Mr. Nutter:

Black River Corporation is currently drilling the above referenced well and it has been brought to their attention that technically this location is considered unorthodox. The well is located 1980 feet from the North line and 1980 feet from the West line of Section 3. Section 3, being in the most southerly township of the state, has excess acreage in the form of lots inserted along its most northern border. The excess in Unit C amounts to a total of 54.62 acres which causes the North-South line of Unit C to equate to 1791.25 feet. The subject well, being 1980 feet from the North section line, is then spotted 188.75 feet from the North quarter, quarter line, of Unit F which qualifies it as an unorthodox location. The well spots 678.3 feet from the East quarter, quarter line.

Due to the fact that the well is located well within the section boundry limitions to qualify for an orthodox location and is approximately 141 feet too close to its north quarter, quarter line only because of the subject sections configuration, it is respectfully requested that administrative approval be granted for this location to be considered orthodox.

Very truly yours,

& H PRODUCTION DRILLING, INC., John T. Berry, Vice President.

jtb/mos