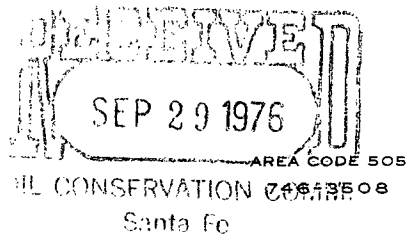


A. J. LOSEE
JOEL M. CARSON
CHAD DICKERSON

LAW OFFICES
LOSEE & CARSON, P.A.
300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210



28 September 1976

NSL-796

104 F

Due Oct 19

Mr. Joe D. Ramey, Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

On behalf of our client, Harvey E. Yates Company, application is hereby made for administrative approval of an unorthodox location, pursuant to Rule 104-F, to permit re-entry and attempted recompletion of the Humble Oil Company No. 1 Railroad Mountain Unit Well located 660 feet from the North and West lines of Section 8, Township 8 South, Range 31 East, N.M.P.M., Chaves County, New Mexico.

The No. 1 Railroad Mountain Unit Well was drilled to the Devonian formation in 1957 at an orthodox location for said well and plugged and abandoned. Harvey E. Yates Company proposes to re-enter the well, attempt completion in the Pennsylvanian formation and dedicate the N/2 of said Section 8 to the well.

Attached hereto and made a part hereof is a plat showing the ownership of all leases offsetting the N/2 of said Section 8, and all wells completed thereon. We are today sending all of the offset operators copies of this letter by certified mail and request that if they have no objection, the offset operators advise you of such fact and let me have a copy of their transmittal.

Very truly yours,

LOSEE & CARSON, P.A.

A. J. Losee

AJL:jw

Attachment

cc: Harvey E. Yates Company
cc (certified): Sundance Oil Company
Exxon Company, U.S.A.

Railroad Mtn. Wn
660' FNL & FUL
See 7, T-85, R-37
claves Co, NM



SUNDANCE OIL COMPANY

October 13, 1976



Oil & Gas Conservation Commission
State of New Mexico
Attn: Mr. A.L. Porter, Jr., Director
P.O. Box 1039
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Re: Humble Railroad Mountain Unit #1
Sec. 8, T. 8S., R. 31E.
Chaves County, New Mexico

This letter is to advise that Sundance Oil Company is in agreement with Harvey E. Yates Company, Inc. (Heyco)'s spacing unit selection for the redrilling of the Humble Railroad Mountain Unit #1 well in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 8, Township 8 South, Range 31 East, Chaves County, New Mexico. Sundance Oil Company will share an interest in this well through a farmout letter agreement dated September 13, 1976 with Harvey E. Yates Company, Inc. covering a portion of our USA lease NM-15678.

Yours truly,

SUNDANCE OIL COMPANY


Douglas J. Bates
Chief Landman

DJB:pg

EXXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79701

OCT 19 1976

OIL CONSERVATION COMM. October 15, 1976

Santa Fe

PRODUCTION DEPARTMENT
MIDCONTINENT DIVISION

R. W. BOWDON
OPERATIONS MANAGER

Re: Unorthodox Location
Harvey E. Yates Company
Humble Oil Company #1
Railroad Mountain Unit Well
Chavez County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey

Exxon has no objection to the Harvey E. Yates Company application for approval of an unorthodox location to permit re-entry of the Humble Oil Company #1 Railroad Mountain Unit Well #1, located 660 ft. from the north and west lines of Section 8, T-8-S, R-31-E, N.M.P.M., Chavez County, New Mexico. It is understood that a completion attempt will be made in the Pennsylvanian formation and the north half of Section 8 will be dedicated to this well.

Very truly yours,



HNR/bes

cc: Harvey E. Yates Company
112 N. 1st Street
Artesia, New Mexico 88210

Mr. A. J. Losee
P. O. Drawer 239
Artesia, New Mexico 88210