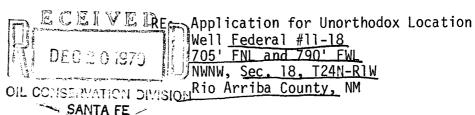


December 17, 1979

New Mexico Oil Conservation Commission 1000 Rio Brazos Road Aztec, New Mexico 87410



Gentlemen:

Please accept this as our application for approval to drill the subject well located at an unorthodox location as set forth above. This well is located in the South Blanco Pictured Cliffs field and is to test the Pictured Cliffs zone at a total depth of approximately 3600 feet. The NW 1/4 of Section 18, as above, covering 160 acres, more or less, is dedicated to this well. A copy of Form C-102 is attached for your information. The application for a permit to drill was submitted previously.

The well location, as above, was selected as being closest to the legal location (790' FNL and 790' FWL) that would be allowed by the Forrest Service due to terrain conditions. The regular location is on the edge of a ten foot deep ravine cutting a steep north slope. The general character of the terrain in the area is shown on the attached copy of the topographic map of the area. This topographic map is drawn to a scale which does not show the the less prominent terrain features due to the 40 foot contour interval.

The attached land ownership plat shows the ownership of all leases directly offsetting the NW 1/4 of Section 18 which is the proration unit dedicated to the subject well. The addresses of these offset operators are:

> Getty Oil Company P.O. Box 3360 Casper, Wyoming 82602

Mountain Fuel Supply Co. P.O. Box 11368

A. G. Hill

Salt Lake City, Utah 84139

2500 1st Nat'l Bank Bldg. Dallas, Texas 75202

Copies of this application for approval to drill this unorthodox location were sent to the above named operators by certified mail on December 17, 1979, today's date.

Your approval to drill the subject well at the unorthodox location, as stated above,

is very earnestly requested

OIL CON. COM. DIST 3

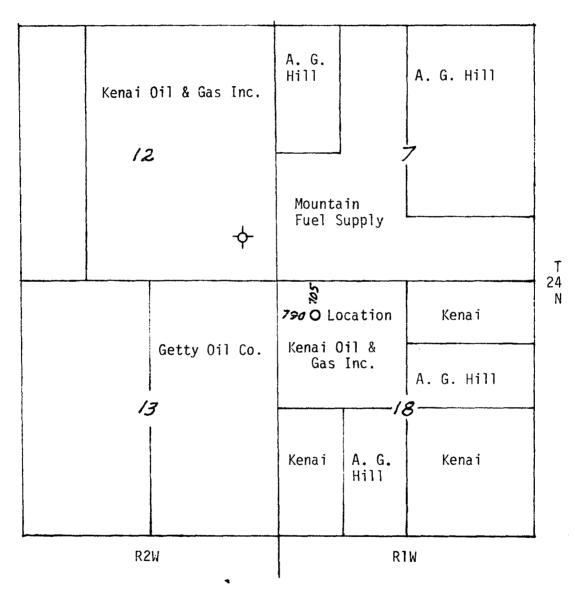
Yours very truly,

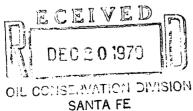
Manager - Drilling and Production

GBJ:ram Attachments



Land ownership plat showing operators offset to unorthodox location of Kenai Oil and Gas Inc. well number Federal #11-18 staked 705' FNL and 790' FWL, Section 18, Township 24 North - Range 1 West, Rio Arriba County, New Mexico.



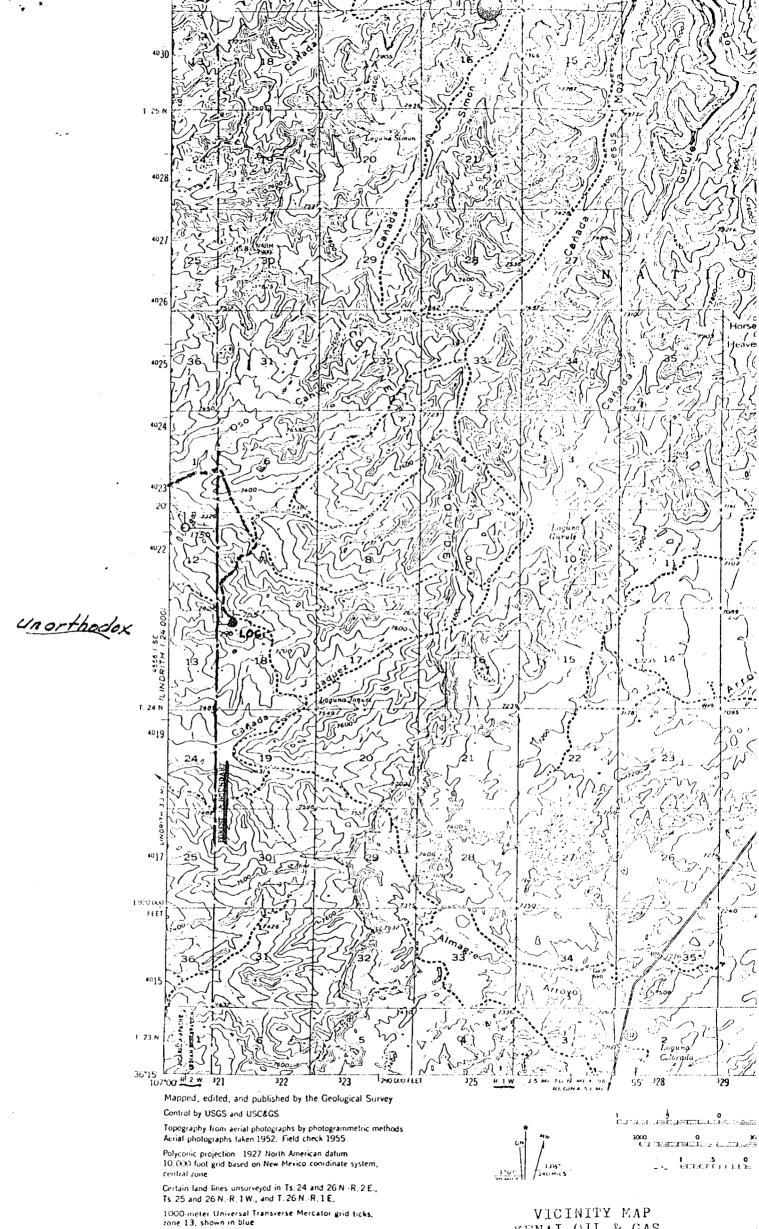


Scale 1'' = 2000'

## Form C-102 Supersedes C-128 Effective 1-1-65

## NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section Well No. L.egge Operator 11-18 **FEDERAL** KENAI OIL & GAS Township County RIU ARRIBA 24 NORTH 1 WEST Actual Footage Location of Well: 790 WEST 705 NORTH leet from the line and leet from the Producing Formation Dedicated Acreage: Ground Level Elev. Gavilan Pictured South Blanco Ext. 160 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? If answer is "yes," type of consolidation \_ Yea 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 Commis-CERTIFICATION I heraby certify that the information contained herein is true and complete to the best of my knowledge and belief. 18 I hereby certify that the well location shown on this plat was platted 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. SANTA FE Date Surveyed 24 October, Registered Professional Engineer Cyntis C. Stocking muitar Certificate No. 59dULS 1980 2810 1 500 1000



KENAI OIL & GAS Well Location in Sec. 18 TMAN, RIW, N.M.P.M. Rio Arriba County, New Mexico Scale:1"- Imile