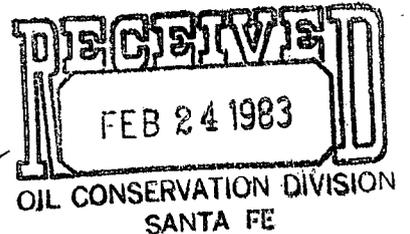


February 19, 1983



Thomas K. Scroggin
Operator - BS Oil Company
P.O. Box 664
Artesia, New Mexico 88210

Mr. R. L. Staments
Technical Support Chief
Energy and Minerals Dept.
N.M. Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

*NSL 1665
Rule 104
3-16-83*

Dear Mr. Staments,

I request an unstandard location for the BS Oil Company, Scott Thomas #1. The location I am applying for is on my state lease. 1550 ft from the south line, 330 ft. from the west line in Sec. 34. T17S, R28E, Eddy County, New Mexico. I will drill a 3150 ft. well which is the base of the San Andres formation.

As I related in our telephone conversation on 2-17-83, Mr. Leroy Troop from the Arco Oil and Gas Hobbs Division, requested that I move 100 ft. south of my present well marker which is 1650 ft. from the south line and 330 ft. from the west line. It is in accordance with this request that this application is being made. The request by Mr. Troop was made due to a buried waterline 39 ft. north of the present marker. The waterline is a 6" fiberglass produced waterline which runs east and west for over a mile. He is worried that during the drilling process we will rupture this line and requested the move I am applying for.

I cannot move to the north because of Arco's G-33 well (see plat) which did not have the cement circulated on the production string in the horizons I will produce. To move north far enough to get away from the waterline would bring my well within 110 ft. of that well which is much too close. All of Arco's wells are 6000 ft. Empire Abo field wells.

I cannot move east due to the east - west waterline always being present, and because of the G-332 well. I cannot move west because of the section line and waterline. In order to work with and cooperate with Arco, my only recourse is the one which I have requested. I have to drill in this corner of the 40 acre parcel selected due to the favorable geology.

I have notified all offset operators of my application by certified mail as per your request. I have the offset owners clearly marked on the necessary plat and the pertinent Arco wells also marked. BS Oil Company owns the south and east acreage in the

Artesia Q G SA horizons bordering the 40 acre parcel in question. Arco owns the west acreage and Amoco and H & S Oil CO. have the north acreage.

The waterline is clearly marked in relation to my present well marker. The powerline shown is a dead feeder line which Central Valley Electric Co-op will move.

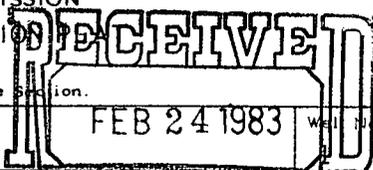
Please consider and approve my request so I can commence drilling operations. Thank you.

Sincerely,

Thomas K Scroggin
Thomas K. Scroggin

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION

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



All distances must be from the outer boundaries of the Section.

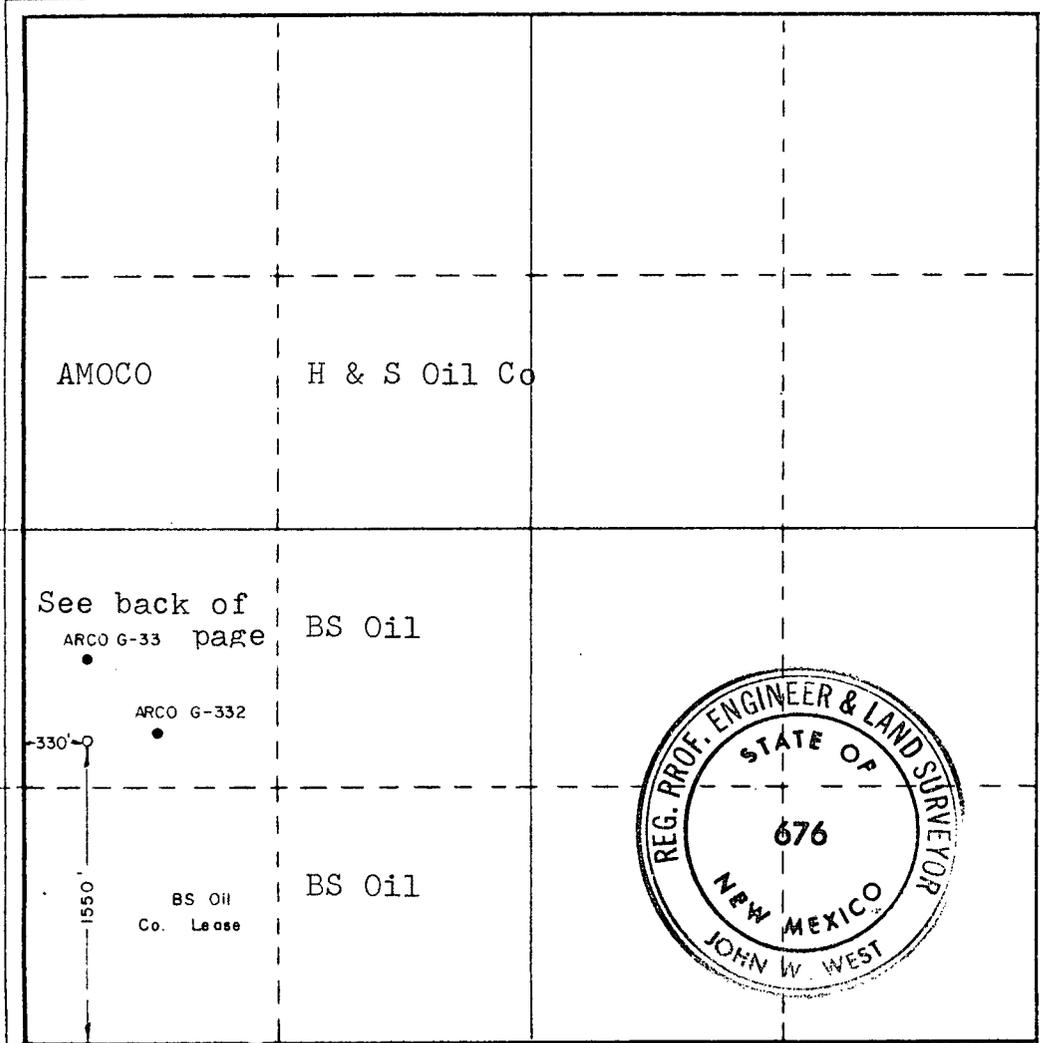
Operator B S Oil Company		Lease Scott Thomas		Well No. FEB 24 1983	
Unit Letter L	Section 34	Township 17 South	Range 28 East	OIL CONSERVATION DIVISION Eddy SANTA FE	
Actual Footage Location of Well: 1550 feet from the South line and 330 feet from the West line					
Ground Level Elev.	Producing Formation	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.



CERTIFICATION

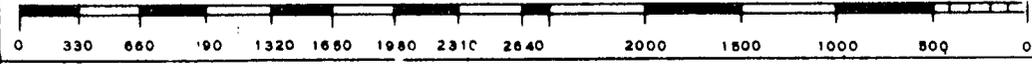
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

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
02/10/83
Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No.
JOHN W WEST NO. 676



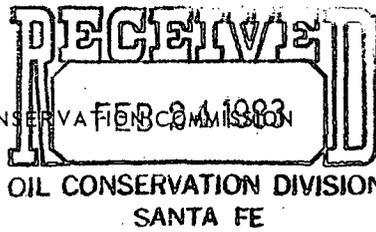
ARCO

RCO

ase

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SANT A FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION



Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
B-2071

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Scott Thomas	
2. Name of Operator BS Oil Company		9. Well No. 1	
3. Address of Operator P.O. Box 664 Artesia, New Mexico 88210		10. Field and Pool, or Wildcat Artesia Q G SA	
4. Location of Well UNIT LETTER <u>L</u> LOCATED <u>1550</u> FEET FROM THE <u>South</u> LINE AND <u>330</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>34</u> TWP. <u>17S</u> RGE. <u>28E</u> NMPM		12. County Eddy	
19. Proposed Depth 3150 ft.		19A. Formation San Andres	20. Rotary or C.T. Rotary
21. Elevations (Show whether DF, RT, etc.) Ground Level 3659.7	21A. Kind & Status Plug. Bond Single Well	21B. Drilling Contractor LaRue and Muncy	22. Approx. Date Work will start March 20, 1983

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	700 ft.	Circulate	Surface
7 7/8"	5 1/2"	15.50#	3150 ft.	Circulate	Surface

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

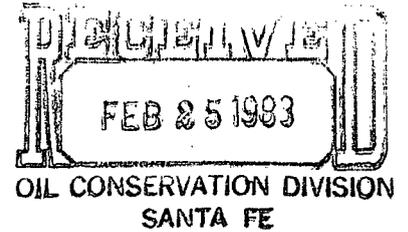
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Thomas K Scrogger Title Operator Date 2-21-83

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:



February 18, 1983

Thomas K. Scroggin
Operator - BS Oil Company
P.O. Box 664
Artesia, New Mexico 88210

Mr. Leroy Troop
Arco Oil and Gas Co.
Box 1710
Hobbs, New Mexico 88240

Dear Mr. Troop,

I request the approval of your company for a non-standard location concerning a 3150 ft well I plan to drill. The request is as follows: .1550 feet from the South line, 330 feet from the West line in Sec.34, T17S, R28E, Eddy County, New Mexico.

As per your request recommending this location, I ask that your company submit an approval to:

Mr. R. L. Staments
Technical Support Chief
Energy and Minerals Dept.
N.M. Oil Conservation Division
P.O. Box 2088
Sante Fe, New Mexico 87501

For reference purposes, the well is named the BS Oil Company, Scott Thomas #1. Thank you for your cooperation.

Sincerely,

Thomas K Scroggin

Thomas K. Scroggin

*Approve non-standard location
J. J. Tweed*

District Engineer
ARCO Oil and Gas Company
February 23, 1983