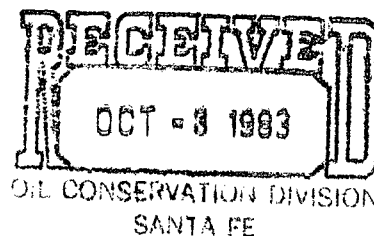


Wm. B. Barnhill
OIL & GAS PROPERTIES
ROSWELL, NEW MEXICO 88201

September 29, 1983



Mr. Dick Stamets
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Request for Administrative Approval
of Unorthodox Location
Section 34, T21S R24E
Eddy County, New Mexico

Dear Mr. Stamets:

This letter is a request for Administrative Approval for an unorthodox Morrow test located 660' FNL & FEL of Section 34, Township 21 South, Range 24 East, Eddy County, New Mexico. I enclose for your review, a land map and a Topographic sheet showing the proposed location and the dedicated acreage. On the Topographic sheet you can readily see that the terrain is very rough with canyon walls in excess of 250 feet. From highway 137, we have gone into Walt Canyon to the NE/4 NE/4 of Section 34 which is relatively speaking a reasonable location. The canyon to the south beyond the confluence of Righthand Canyon and Walt Canyon, becomes increasingly rough, although the Topo sheet makes it look essentially the same. By going south and getting out of the NE/4 NE/4 of Section 34 it is estimated that an additional cost of \$50,000.00 to \$75,000.00 would be incurred in building roads and location.

The Bureau of Land Management has given field conference approval for this location and will grant a proration unit for the N/2 of Section 34, Township 21 South, Range 24 East, Eddy County, New Mexico.

I am enclosing for your review copies of letters to all offset operators and individuals along with zerox copies of the registered mail receipt.

If you would grant the unorthodox location, I would like approval for all zones from the Wolfcamp through the Pennsylvanian. *Formation's Except for the upper Pennsylvanian*

In regards to my notification letters, you will notice that there is not one to the Barnes, Eimers & Newkumet interest which consists of the E/2 SE/4 of Section 34 and the W/2 SW/4 of Section 35. This interest has been purchased by F. A. Grooms and I give you a copy of said Assignment.

Your earliest consideration of this matter would be greatly appreciated.

Yours truly,

Wm. B. Barnhill

WBB:nlc

Enclosures

cc Oil Conservation Division, Artesia, New Mexico

All Entries MUST be in Ball Point Pen or Typed

REGISTERED NO. 123684547		POSTMARK OF ROSWELL NM OCT 7 1983 88201	
Post Office (Completion)	Reg. Fee \$ 3.25	Special Delivery \$	
	Handling Charge \$	Return Receipt \$	
	Postage \$ 20	Restricted Delivery \$	
	Received by ASD		<input type="checkbox"/> Airmail
Customer must declare Full value \$ NU		<input type="checkbox"/> With Postal Insurance <input type="checkbox"/> Without Postal Insurance \$25,000 Domestic Limit	
Customer Completion (Please Print)	FROM		
	Wm. B. Barnhill		
	P.O. Box 1354		
	Roswell, N.M.		
TO	ZIP CODE 88201		
	Arco Exploration Company		
	P.O. Box 1610		
	Midland Texas		
		ZIP CODE 79702	

PS FORM 3806 RECEIPT FOR REGISTERED MAIL (Customer Copy)
July 1981

All Entries MUST be in Ball Point Pen or Typed

REGISTERED NO. 123684548		POSTMARK OF ROSWELL NM OCT 7 1983 88201	
Post Office (Completion)	Reg. Fee \$ 3.25	Special Delivery \$	
	Handling Charge \$	Return Receipt \$	
	Postage \$ 20	Restricted Delivery \$	
	Received by ASD		<input type="checkbox"/> Airmail
Customer must declare Full value \$ NU		<input type="checkbox"/> With Postal Insurance <input type="checkbox"/> Without Postal Insurance \$25,000 Domestic Limit	
Customer Completion (Please Print)	FROM		
	Wm. B. Barnhill		
	P.O. Box 1354		
	Roswell New Mexico		
TO	ZIP CODE 88201		
	Amoco Production Company		
	P.O. Box 3092		
	Houston Texas		
		ZIP CODE 77001	

PS FORM 3806 RECEIPT FOR REGISTERED MAIL (Customer Copy)
July 1981

All Entries MUST be in Ball Point Pen or Typed

REGISTERED NO. 123684549		POSTMARK OF ROSWELL NM OCT 7 1983 88201	
Post Office (Completion)	Reg. Fee \$ 3.25	Special Delivery \$	
	Handling Charge \$	Return Receipt \$	
	Postage \$ 20	Restricted Delivery \$	
	Received by ASD		<input type="checkbox"/> Airmail
Customer must declare Full value \$ NU		<input type="checkbox"/> With Postal Insurance <input type="checkbox"/> Without Postal Insurance \$25,000 Domestic Limit	
Customer Completion (Please Print)	FROM		
	Wm. B. Barnhill		
	P.O. Box 1354		
	Roswell NM		
TO	ZIP CODE 88201		
	Husky Oil Company		
	P.O. Box 380		
	Cody, Wyoming		
		ZIP CODE 82414	

PS FORM 3806 RECEIPT FOR REGISTERED MAIL (Customer Copy)
July 1981

All Entries MUST be in Ball Point Pen or Typed

REGISTERED NO. 123684546		POSTMARK OF ROSWELL NM OCT 7 1983 88201	
Post Office (Completion)	Reg. Fee \$ 3.25	Special Delivery \$	
	Handling Charge \$	Return Receipt \$	
	Postage \$ 20	Restricted Delivery \$	
	Received by ASD		<input type="checkbox"/> Airmail
Customer must declare Full value \$ NU		<input type="checkbox"/> With Postal Insurance <input type="checkbox"/> Without Postal Insurance \$25,000 Domestic Limit	
Customer Completion (Please Print)	FROM		
	Wm. Barnhill		
	Box 1354		
	Roswell NM 88201		
TO	ZIP CODE 88201		
	Superior Oil		
	Box 1571		
	Houston TX 77001		
		ZIP CODE 77001	

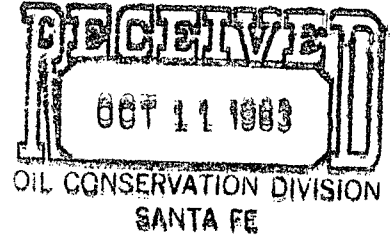
PS FORM 3806 RECEIPT FOR REGISTERED MAIL (Customer Copy)
July 1981

P. O. BOX 1354
233 PETROLEUM BLDG.

TELEPHONES: AREA CODE 505
OFFICE 622-0540
RES. 622-0438

Wm. B. Barnhill
OIL & GAS PROPERTIES
ROSWELL, NEW MEXICO 88201

October 7, 1983



Mr. Dick Stamets
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Unorthodox Location Morrow Test
660' FNL & FEL
Section 34, T21S R24E
Eddy County, New Mexico

Dear Mr. Stamets:

Relative to our conversation this date regarding the unorthodox location in Section 34, Township 21 South, Range 24 East, Eddy County, New Mexico, I enclose for your files copies of letters to Amoco Production Company, Arco Exploration Company, Husky Oil Company, and Superior Oil, along with zerox copies of the registered receipts.

Your cooperation on this matter is greatly appreciated.

Yours truly,


Wm. B. Barnhill

WBB:nlc

Enclosures

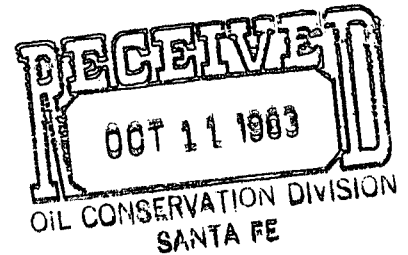
cc Oil Conservation Division
Drawer DD
Artesia, New Mexico 88210

P. O. BOX 1354
233 PETROLEUM BLDG.

TELEPHONES: AREA CODE 505
OFFICE 622-0540
RES. 622-0438

Wm. B. Barnhill
OIL & GAS PROPERTIES
ROSWELL, NEW MEXICO 88201

October 7, 1983



Husky Oil Company
P.O. Box 380
Cody, Wyoming 82414

Re: Unorthodox Location Morrow Test
660' FNL & FEL
Section 34, T21S R24E
Eddy County, New Mexico

Dear Sirs:

This letter is to advise you that I propose to drill a 9800' wildcat Morrow test located 660' FNL & FEL of Section 34, Township 21 South, Range 24 East, Eddy County, New Mexico.

Due to topographic reasons, this unorthodox location must be located as proposed above. We are filing for Administrative Approval with the Oil Conservation Division and this letter fulfills the requirement that all offset lessees be notified of same.

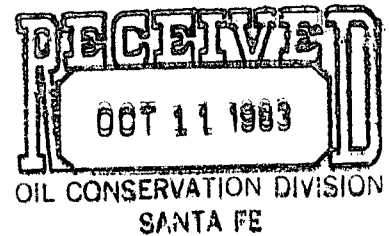
Yours truly,


Wm. B. Barnhill

WBB:nlc

Wm. B. Barnhill
OIL & GAS PROPERTIES
ROSWELL, NEW MEXICO 88201

October 7, 1983



Amoco Production Company
P.O. Box 3092
Houston, Texas 77001

Re: Unorthodox Location Morrow Test
660' FNL & FEL
Section 34, T21S R24E
Eddy County, New Mexico

Dear Sirs:

This letter is to advise you that I propose to drill a 9800' wildcat Morrow test located 660' FNL & FEL of Section 34, Township 21 South, Range 24 East, Eddy County, New Mexico.

Due to topographic reasons, this unorthodox location must be located as proposed above. We are filing for Administrative Approval with the Oil Conservation Division and this letter fulfills the requirement that all offset lessees be notified of same.

Yours truly,


Wm. B. Barnhill

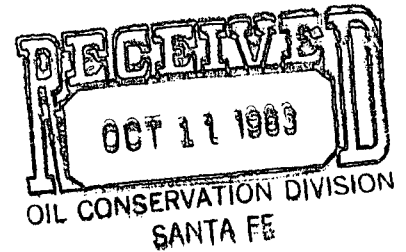
WBB:nlc

P. O. BOX 1354
233 PETROLEUM BLDG.

TELEPHONES: AREA CODE 505
OFFICE 622-0540
RES. 622-0438

Wm. B. Barnhill
OIL & GAS PROPERTIES
ROSWELL, NEW MEXICO 88201

October 7, 1983



Arco Exploration Company
Division of Atlantic Richfield Co.
P.O. Box 1610
Midland, Texas 79702

Re: Unorthodox Location Morrow Test
660' FNL & FEL
Section 34, T21S R24E
Eddy County, New Mexico

Dear Sirs:

This letter is to advise you that I propose to drill a 9800' wildcat Morrow test located 660' FNL & FEL of Section 34, Township 21 South, Range 24 East, Eddy County, New Mexico.

Due to topographic reasons, this unorthodox location must be located as proposed above. We are filing for Administrative Approval with the Oil Conservation Division and this letter fulfills the requirement that all offset lessees be notified of same.

Yours truly,


Wm. B. Barnhill

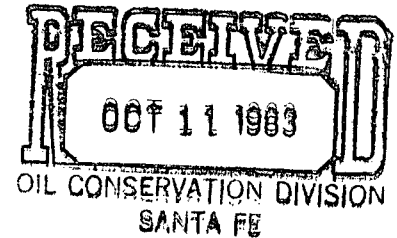
WBB:nc1

P. O. BOX 1354
233 PETROLEUM BLDG.

TELEPHONES: AREA CODE 505
OFFICE 622-0540
RES. 622-0438

Wm. B. Barnhill
OIL & GAS PROPERTIES
ROSWELL, NEW MEXICO 88201

October 7, 1983



Superior Oil
P.O. Box 1521
Houston, Texas 77001


Re: Unorthodox Location Morrow Test
660' FNL & FEL
Section 34, T21S R24E
Eddy County, New Mexico

Dear Sirs:

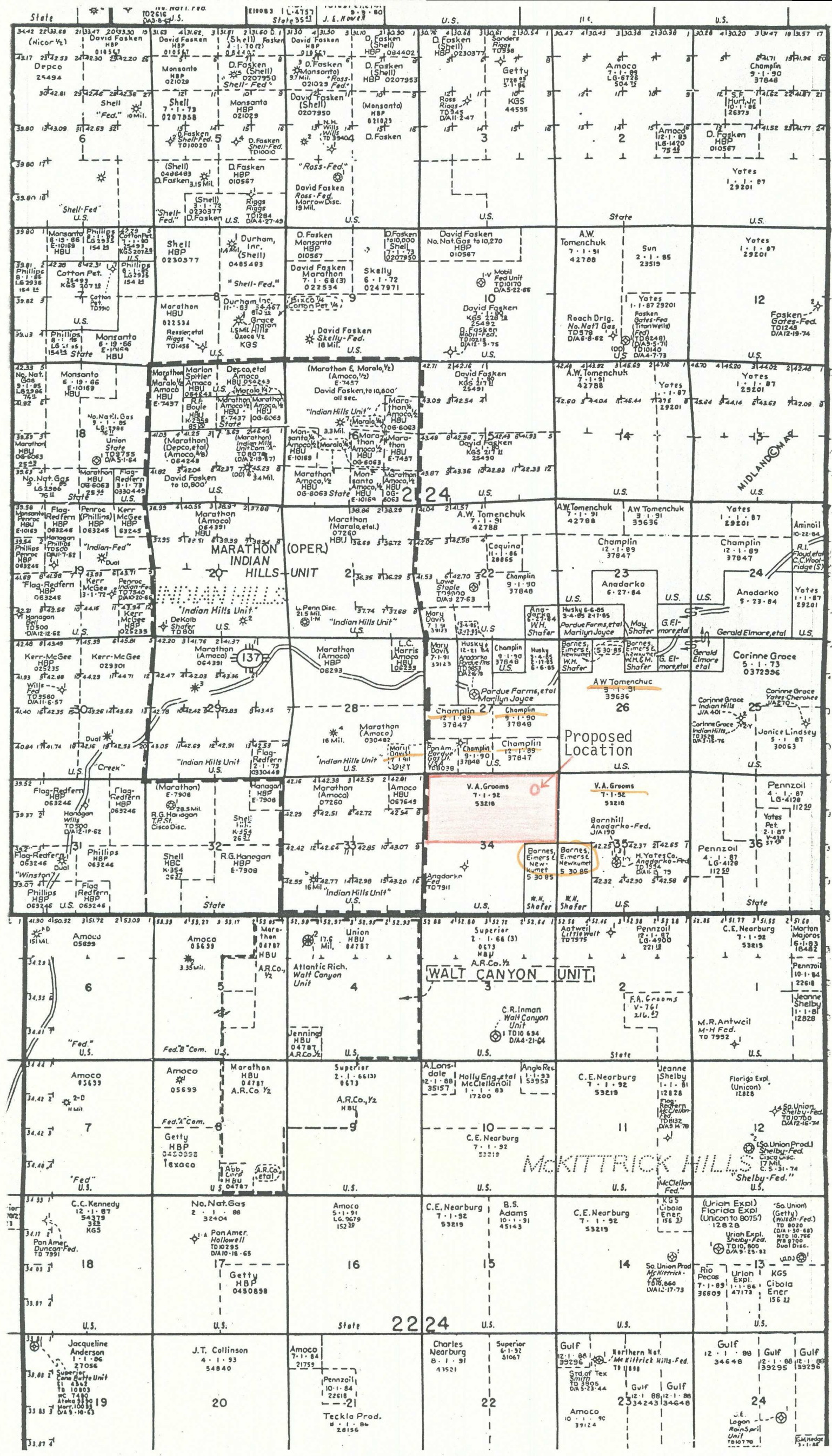
This letter is to advise you that I propose to drill a 9800' wildcat Morrow test located 660' FNL & FEL of Section 34, Township 21 South, Range 24 East, Eddy County, New Mexico.

Due to topographic reasons, this unorthodox location must be located as proposed above. We are filing for Administrative Approval with the Oil Conservation Division and this letter fulfills the requirement that all offset lessees be notified of same.

Yours truly,


Wm. B. Barnhill

WBB:nlc



All Entries MUST be in Ball Point Pen or Typed

REGISTERED NO. <i>R123675962</i>		POSTMARK OF <i>SEP 30 1983</i>	
Post Office (Completion)	Reg. Fee \$ <i>325</i>	Special Delivery \$	MAILING OFFICE
	Handling Charge \$	Return Receipt \$	
	Postage \$ <i>20</i>	Restricted Delivery \$	
Received by <i>D. Tate</i>		<input type="checkbox"/> Airmail	
Customer must declare Full value \$		<input type="checkbox"/> With Postal Insurance <input checked="" type="checkbox"/> Without Postal Insurance \$25,000 Domestic Limit	
Customer Completion (Please Print)	FROM		
	<i>Wm. B. Barnhill</i>		
	<i>P.O. Box 1354</i>		
	<i>Roswell NM</i>	ZIP CODE	<i>88201</i>
TO	<i>Mary Davis</i>		
	<i>202 E 4th</i>	ZIP CODE	<i>88210</i>
	<i>Artesia NM</i>		

PS FORM 3806 RECEIPT FOR REGISTERED MAIL (Customer Copy)
July 1981

All Entries MUST be in Ball Point Pen or Typed

REGISTERED NO. <i>R123675961</i>		POSTMARK OF <i>SEP 30 1983</i>	
Post Office (Completion)	Reg. Fee \$ <i>325</i>	Special Delivery \$	MAILING OFFICE
	Handling Charge \$	Return Receipt \$	
	Postage \$ <i>20</i>	Restricted Delivery \$	
Received by <i>D. Tate</i>		<input type="checkbox"/> Airmail	
Customer must declare Full value \$		<input type="checkbox"/> With Postal Insurance <input checked="" type="checkbox"/> Without Postal Insurance \$25,000 Domestic Limit	
Customer Completion (Please Print)	FROM		
	<i>Wm. B. Barnhill</i>		
	<i>P.O. Box 1354</i>		
	<i>Roswell NM</i>	ZIP CODE	<i>88201</i>
TO	<i>Under Grooms</i>		
	<i>P.O. Box 908</i>	ZIP CODE	<i>88201</i>
	<i>Roswell NM</i>		

PS FORM 3806 RECEIPT FOR REGISTERED MAIL (Customer Copy)
July 1981

All Entries MUST be in Ball Point Pen or Typed

REGISTERED NO. <i>R123675964</i>		POSTMARK OF <i>SEP 30 1983</i>	
Post Office (Completion)	Reg. Fee \$ <i>325</i>	Special Delivery \$	MAILING OFFICE
	Handling Charge \$	Return Receipt \$	
	Postage \$ <i>20</i>	Restricted Delivery \$	
Received by <i>D. Tate</i>		<input type="checkbox"/> Airmail	
Customer must declare Full value \$		<input type="checkbox"/> With Postal Insurance <input checked="" type="checkbox"/> Without Postal Insurance \$25,000 Domestic Limit	
Customer Completion (Please Print)	FROM		
	<i>Wm. B. Barnhill</i>		
	<i>P.O. Box 1354</i>		
	<i>Roswell, New Mexico</i>	ZIP CODE	<i>88201</i>
TO	<i>Champlin Petroleum Company</i>		
	<i>Four Allen Center, 4400 Smith Str. Suite 1500</i>	ZIP CODE	<i>77002</i>
	<i>Houston Texas</i>		

PS FORM 3806 RECEIPT FOR REGISTERED MAIL (Customer Copy)
July 1981

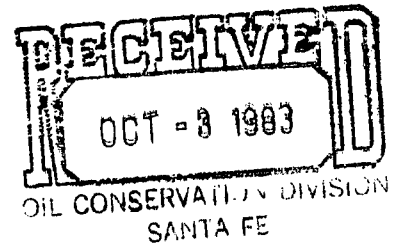
All Entries MUST be in Ball Point Pen or Typed

REGISTERED NO. <i>R123675963</i>		POSTMARK OF <i>SEP 30 1983</i>	
Post Office (Completion)	Reg. Fee \$ <i>325</i>	Special Delivery \$	MAILING OFFICE
	Handling Charge \$	Return Receipt \$	
	Postage \$ <i>20</i>	Restricted Delivery \$	
Received by <i>D. Tate</i>		<input type="checkbox"/> Airmail	
Customer must declare Full value \$		<input type="checkbox"/> With Postal Insurance <input checked="" type="checkbox"/> Without Postal Insurance \$25,000 Domestic Limit	
Customer Completion (Please Print)	FROM		
	<i>William B. Barnhill</i>		
	<i>Bx 1354</i>		
	<i>Roswell NM</i>	ZIP CODE	<i>88201</i>
TO	<i>A.W. Tomerchuk</i>		
	<i>Box 682</i>	ZIP CODE	<i>90241</i>
	<i>Brown CA</i>		

PS FORM 3806 RECEIPT FOR REGISTERED MAIL (Customer Copy)
July 1981

Wm. B. Barnhill
OIL & GAS PROPERTIES
ROSWELL, NEW MEXICO 88201

September 29, 1983



Champlin Petroleum Company
Four Allen Center
400 Smith Street, Suite 1500
Houston, Texas 77002

ATTENTION STEVE DANGOS

Re: Unorthodox Location Morrow Test
660' FNL & FEL
Section 34, T21S R24E
Eddy County, New Mexico

Dear Sirs:

This letter is to advise you that I propose to drill a 9800' wildcat Morrow test located 660' FNL & FEL of Section 34, Township 21 South, Range 24 East, Eddy County, New Mexico.

Due to topographic reasons, this unorthodox location must be located as proposed above. We are filing for Administrative Approval with the Oil Conservation Division and this letter fulfills the requirement that all offset lessees be notified of same.

Yours truly,

A handwritten signature in dark ink, appearing to read "Wm. B. Barnhill".

Wm. B. Barnhill

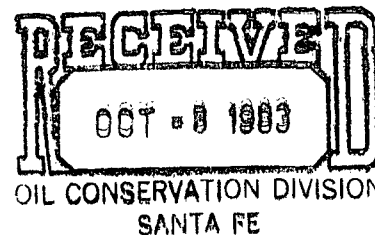
WBB:nlc

P. O. BOX 1354
233 PETROLEUM BLDG.

TELEPHONES: AREA CODE 505
OFFICE 622-0540
RES. 622-0438

Wm. B. Barnhill
OIL & GAS PROPERTIES
ROSWELL, NEW MEXICO 88201

September 29, 1983



Mr. Andy Grooms
P.O. Box 908
Roswell, NM 88201

Re: Unorthodox Location Morrow Test
660' FNL & FEL
Section 34, T21S R24E
Eddy County, New Mexico

Dear Mr. Grooms:

This letter is to advise you that I propose to drill a 9800' wildcat Morrow test located 660' FNL & FEL of Section 34, Township 21 South, Range 24 East, Eddy County, New Mexico.

Due to topographic reasons, this unorthodox location must be located as proposed above. We are filing for Administrative Approval with the Oil Conservation Division and this letter fulfills the requirement that all offset lessees be notified of same.

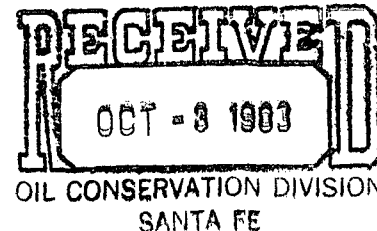
Yours truly,


Wm. B. Barnhill

WBB:nlc

Wm. B. Barnhill
OIL & GAS PROPERTIES
ROSWELL, NEW MEXICO 88201

September 29, 1983



Mary Davis
Yates Petroleum Corporation
207 South Fourth Street
Artesia, New Mexico 88210

ATTENTION JACK McCRAW

Re: Unorthodox Location Morrow Test
660' FNL & FEL
Section 34, T21S R24E
Eddy County, New Mexico

Dear Ms. Davis:

This letter is to advise you that I propose to drill a 9800' wildcat Morrow test located 660' FNL & FEL of Section 34, Township 21 South, Range 24 East, Eddy County, New Mexico.

Due to topographic reasons, this unorthodox location must be located as proposed above. We are filing for Administrative Approval with the Oil Conservation Division and this letter fulfills the requirement that all offset lessees be notified of same.

Yours truly,

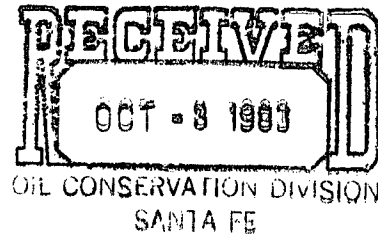
A handwritten signature in dark ink, appearing to read "Wm. B. Barnhill".

Wm. B. Barnhill

WBB:nlc

Wm. B. Barnhill
OIL & GAS PROPERTIES
ROSWELL, NEW MEXICO 88201

September 29, 1983



Mr. A. W. Tomenchuk
P.O. Box 682
Downey, CA 90241

Re: Unorthodox Location Morrow Test
660' FNL & FEL
Section 34, T21S R24E
Eddy County, New Mexico

Dear Mr. Tomenchuk:

This letter is to advise you that I propose to drill a 9800' wildcat Morrow test located 660' FNL & FEL of Section 34, Township 21 South, Range 24 East, Eddy County, New Mexico.

Due to topographic reasons, this unorthodox location must be located as proposed above. We are filing for Administrative Approval with the Oil Conservation Division and this letter fulfills the requirement that all offset lessees be notified of same.

Yours truly,


Wm. B. Barnhill

WBB:nlc

110

ASSIGNMENT OF OIL AND GAS LEASE

STATE OF NEW MEXICO Ø

COUNTY OF EDDY Ø

The undersigned, BARNES, EIMERS & NEWKUMET, a Texas Partnership, P.O. Box 3758, Midland, Texas 79702, hereinafter referred to as ASSIGNOR, for and in consideration of the sum of Ten (\$10.00) Dollars and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, assign, transfer and convey unto F. ANDREW GROOMS, P.O. Box 908, Roswell, New Mexico 88201, hereinafter referred to as ASSIGNEE, all of Assignor's right, title and interest in and to the following described Oil and Gas Lease, to wit:

LESSOR:	Patricia H. Lyman, et al
LESSEE:	Barnes, Eimers & Newkumet
DATED:	Ma 30, 1980
RECORDED:	Book 188, page 494
DESCRIPTION:	Township 21 South, Range 24 East
	Section 35: W $\frac{1}{2}$ SW $\frac{1}{4}$
	Section 34: E $\frac{1}{2}$ SE $\frac{1}{4}$
	Section 26: NW $\frac{1}{4}$ NE $\frac{1}{4}$ & NW $\frac{1}{4}$ NW $\frac{1}{4}$, Eddy County, New Mexico.

This Assignment is made by Assignor and accepted by Assignee subject to and in accordance with the terms and provisions of the lease herein assigned and subject to Assignee bearing all obligations contained therein including all royalties, overriding royalties, production payments, and other burdens affecting said lease as of the date of this Assignment.

If Assignee to this Assignment wishes to surrender the herein described lease or any portion thereof, said Assignee by the acceptance of this Assignment agrees to notify Assignor no less than sixty (60) days in advance of anniversary date of said lease, and Assignor shall have thirty (30) days after receipt of such notice within which to elect to take reassignment. Should Assignor elect to receive such reassignment, same shall be delivered immediately, free and clear of any obligations whatsoever except those which exist on the date of execution of this Assignment.

This Assignment is made without warranty of title, either express or implied, except as to all parties claiming by, through or under Assignor, but with full substitution and subrogation of the Assignee in and to all covenants and warranties by others heretofore given or made in respect of the said lands or properties or any part thereof.

EXECUTED this 15th day of June, 1983.

BARNES, EIMERS & NEWKUMET

COPY

Wayne Newkumet
WAYNE NEWKUMET, a Partner

STATE OF TEXAS Ø

COUNTY OF MIDLANDØ

The foregoing instrument was acknowledged before me this 15th day of June, 1983, by WAYNE NEWKUMET, a Partner, on behalf of BARNES, EIMERS & NEWKUMET, a Texas Partnership.

My Commission Expires:
May 25 1985



Sheila A. Matlock
Sheila A. Matlock
Notary Public for State of
Texas

STATE OF NEW MEXICO, County of Eddy, ss. I hereby certify that this instrument was filed for record on the 27 day of June, 19 83 at 4:00 o'clock P M., and recorded in the Records of Miscellaneous, Book 224 Page 1131
VIRGIE COLE, County Clerk

By: *Charles T. Wright* ; Deputy

AFTER RECORDING RETURN TO
F ANDREW GROOMS
P O BOX 908
ROSWELL, NM 88201

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

JUNC. STATE NO. 285 2 MI.

R. 25 E.

