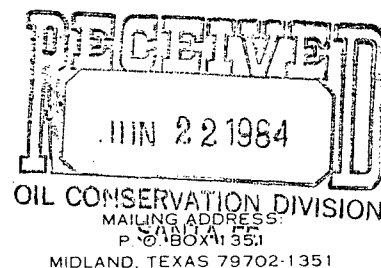


EARLE M. CRAIG, JR. CORPORATION

1400 TWO FIRST CITY CENTER
MIDLAND, TEXAS
915 682-8244



5 June 1984

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Attention Gilbert Quintana

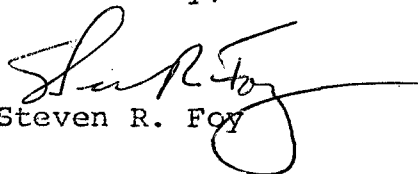
Approval of Unorthodox Well Location
Lea County, New Mexico
EMCjr Corp - Enterprise (Deep) Unit

Gentlemen:

Reference is made to our letter of 10 May 1984 wherein Earle M. Craig, Jr. Corporation requested approval of Unorthodox Well Location for our Enterprise (Deep) Unit. As requested, Craig has moved the proposed location to 1310' FNL and 1310' FEL of Section 2 from 1320' FNL and 1320' FEL, and has obtained Waivers of Objection from all offset operations, copies enclosed.

Earle M. Craig, Jr. Corporation hereby requests our application be administratively granted. As the proposed unit leasehold situation requires our well be commenced in June, your prompt consideration is appreciated.

Yours truly,


Steven R. Foy

SRF/lrs

COPY

By JPP

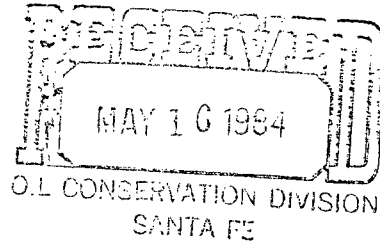
EARLE M. CRAIG, JR. CORPORATION

1400 TWO FIRST CITY CENTER
MIDLAND, TEXAS
915 682-8244

WAYNE R. GIBSON
MANAGER, GEOLOGY AND GEOPHYSICS

MAILING ADDRESS:
P. O. BOX 1351
MIDLAND, TEXAS 79702-1351

14 May 1984



State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Joe D. Ramey, Director

Verbal changes as of
May 29, 1984

NOTE changes

Unit letters A through H of

MSL-1835
RULE 104F III

Release 6/19/84

GEOLOGICAL REPORT
Approval of Unorthodox
Well Location
1320' FNL & 1320' FEL
Section 2, T-21-S, R-33-E
Lea County, New Mexico
Enterprise Deep Unit

Gentlemen:

Approval of the captioned unorthodox location is requested. The subject location would allow the proposed Morrow test well to evaluate the oil potential of the shallow Yates and Seven Rivers Formations within the mature Lynch Field area. A well drilled at a standard 1980' FNL & 1980' FEL location would almost undoubtedly encounter depleted reservoirs at a structurally disadvantageous position. This is demonstrated by the Lynch Pool Map with structural contours on top of the Yates dated July 1960 and updated May 1984 (enclosed). The subject map was originally published by the Roswell Geological Society in a symposium volume. Other published field data are also attached.

The subject proposed well at the captioned unorthodox location will test potentially undrained Yates and Seven Rivers oil reserves at a structurally favorable location and at the same time will be located favorably to test the deep objective formation of the prospect. Shallow structure is often a reflection of the deep structure; therefore, the highest deep structural configuration in this prospect is interpreted beneath the shallow structural high. Relative structural position influences reserves in Morrow stratigraphic traps even though gas entrapment is probably not dependent on structural closure. For this reason the best place to test the deep prospect is beneath the shallow structure at or near the captioned location.

Drilling at the captioned location will promote conservation and reduced waste in evaluating this prospect, in my opinion. It will promote the development of additional oil reserves and will protect the rights of all parties involved, to the best of my knowledge.

Yours truly,

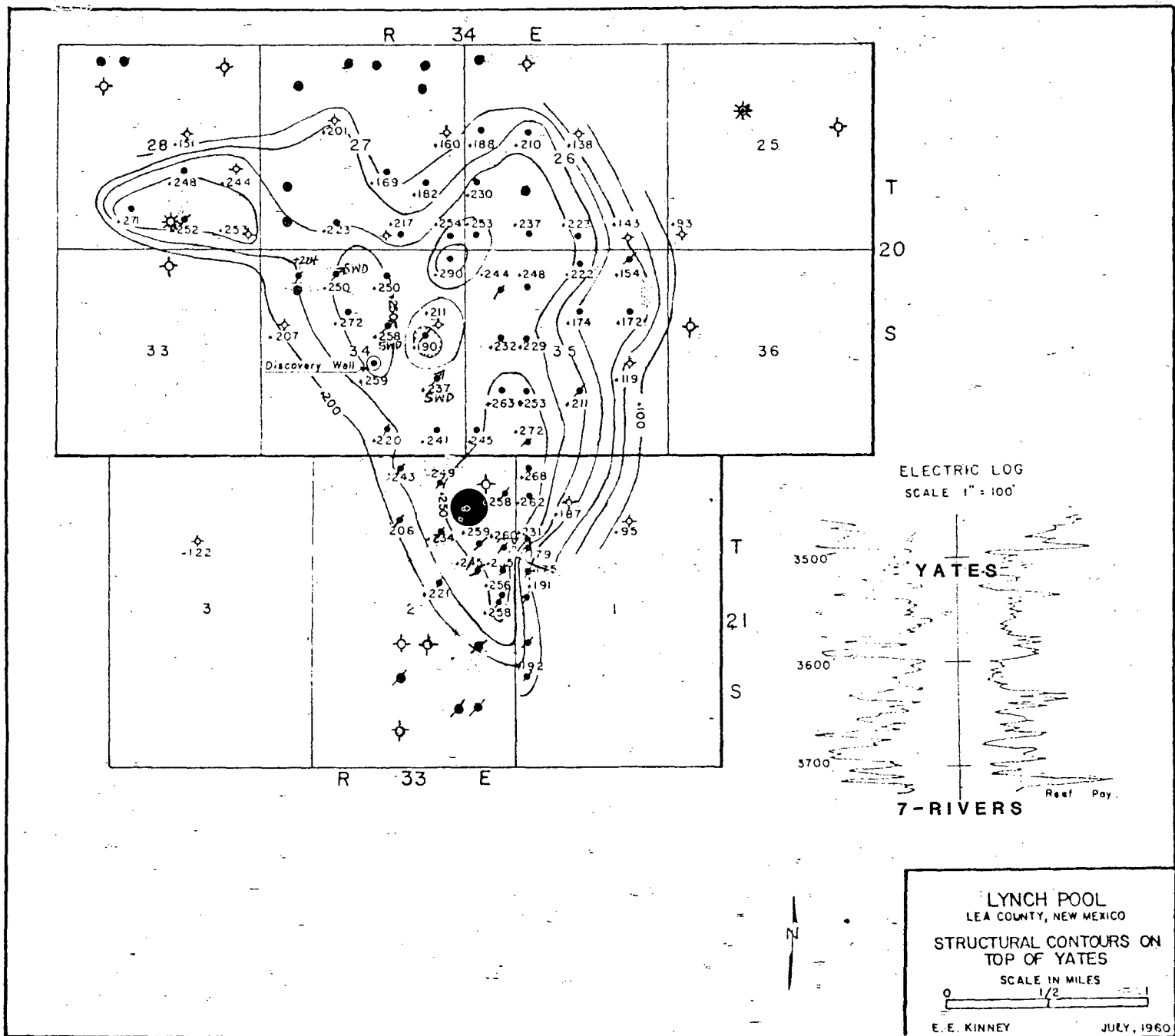
Wayne R. Gibson
Wayne R. Gibson, Manager
Geology and Geophysics

NOTE ATTACHED

Letter changing

WRG:kz

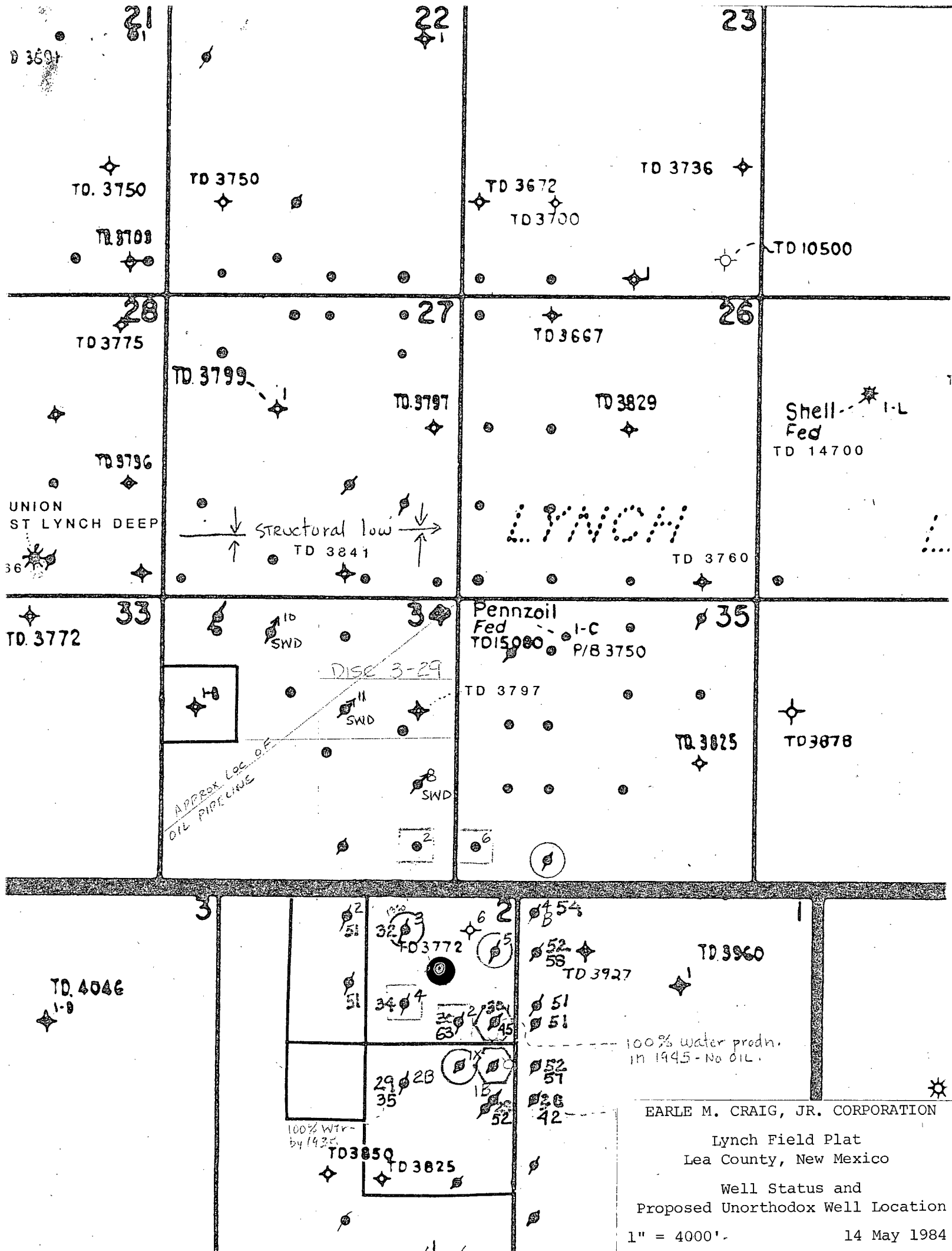
the location! JPP



EARLE M. CRAIG, JR. CORPORATION

Enterprise Deep Unit
Lea County, New Mexico

Well Status Updated By
T. C. Larson, 14 May 1984



LANE RADIOACTIVITY LOG WELLS COMPANY

Location of Well	COMPANY: THE TEXAS COMPANY	FILE NO.
	WELL: B. V. LYNCH "A" NO. 10	
	FIELD: LYNCH	
	COUNTY: LEA STATE: N. MEX.	
	LOCATION: *	
		WELL: B. V. LYNCH "A" NO. 10
		COUNTY: LEA
		LOCATION: STATE: N. MEX.

LOG MEAS. FROM DERRICK FLOOR ELEV. * 3724

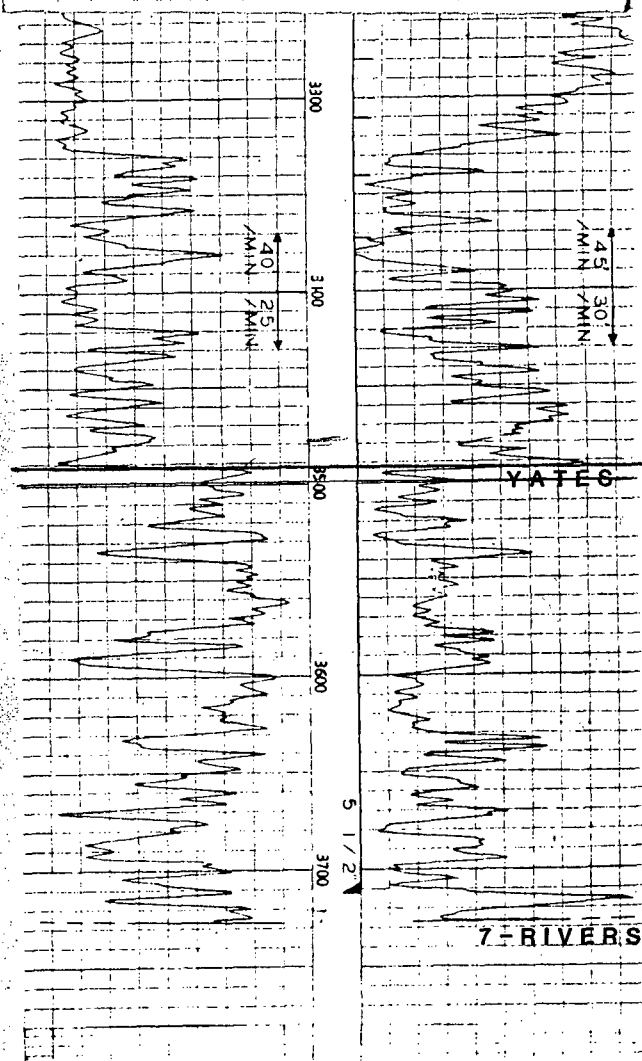
DRLG. MEAS. FROM DERRICK FLOOR ELEV. *

PERM. DATUM DERRICK FLOOR IS 3' ABOVE ELEV. *

TYPE OF LOG	GAMMA RAY	NEUTRON
RUN NO.	ONE-NW	ONE-NW
DATE	7-26-53	7-26-53
TOTAL DEPTH (DRILLER) WIRE LINE	3734	3734
EFFECTIVE DEPTH (DRILLER)	3734	3734
TOP OF LOGGED INTERVAL	SURFACE	SURFACE
BOTTOM OF LOGGED INTERVAL	3727	3727
TYPE OF FLUID IN HOLE	OIL	OIL
FLUID LEVEL	995	995
MAXIMUM RECORDED TEMP.		600N
NEUTRON SOURCE STRENGTH & TYPE		8.25
SOURCE SPACING — IN.		9"
LENGTH OF MEASURING DEVICE — IN.	36"	3 5/8"
O.D. OF INSTRUMENT — IN.	3 5/8"	3 5/8"
TIME CONSTANT — SECONDS	5.0	4.0
LOGGING SPEED FT., MIN.	25-50	30-60
STATISTICAL VARIATION — IN.		
SENSITIVITY REFERENCE	274	275
RECORDED BY	SCHLOTTERBACK	SWEITZER
WITNESSED BY	SWEITZER	SWEITZER

CASING RECORD			
RUN NO.	BIT SIZE	CASING WT.—LB.	FROM WELL RECORD
ONE	6"	5 1/2"	SURFACE TO 3709
ONE	4 3/4"		3709 TO 3734
			TO 3712
			TO 3729
			TO
			TO
			TO

REMARKS OR OTHER DATA
* LOCATION AND ELEVATION UNAVAILABLE



EARLE M. CRAIG, JR. CORPORATION

1400 TWO FIRST CITY CENTER

MIDLAND, TEXAS

915 682-8244

MAILING ADDRESS:

P.O. BOX 1351

MIDLAND, TEXAS 79702-1351

5 June 1984

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Attention Gilbert Quintana

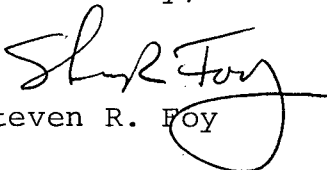
Approval of Unorthodox Well Location
Lea County, New Mexico
EMCjr Corp - Enterprise (Deep) Unit

Gentlemen:

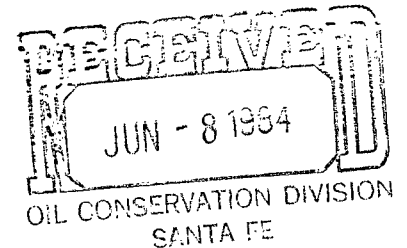
Reference is made to our letter of 10 May 1984 wherein Earle M. Craig, Jr. Corporation requested approval of Unorthodox Well Location for our Enterprise (Deep) Unit. As requested, Craig has moved the proposed location to 1310' FNL and 1310' FEL of Section 2 from 1320' FNL and 1320' FEL, and has obtained Waivers of Objection from all offset operations, copies enclosed.

Earle M. Craig, Jr. Corporation hereby requests our application be administratively granted. As the proposed unit leasehold situation requires our well be commenced in June, your prompt consideration is appreciated.

Yours truly,


Steven R. Foy

SRF/lrs



EARLE M. CRAIG, JR. CORPORATION

1400 TWO FIRST CITY CENTER
MIDLAND, TEXAS
915 682-8244

1 June 1984

MAILING ADDRESS:
P. O. BOX 1351
MIDLAND, TEXAS 79702-1351

Marshall & Winston, Inc.
P. O. Box 874
Midland, TX 79702

Attention Mr. William S. Marshall

Sabre #1 Well
Waiver of Objection of Unorthodox Location
Lea County, New Mexico
Earle M. Craig, Jr. Corporation, Operator
Enterprise (Deep) Unit

Gentlemen:

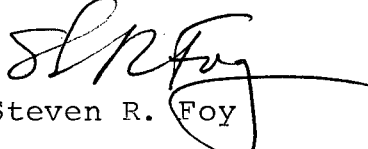
Earle M. Craig, Jr. Corporation ("Craig"), as operator of the Enterprise (Deep) Unit, has proposed to drill a 14,000' Morrow test at a location 1310' FNL and 1310' FEL of Section 2, T21S, R33E, NMPM, Lea County, New Mexico.

As the proration unit is a "lay-down" 320 acres consisting of Lots 1-8 of said section, the proposed location is an unorthodox one and requires approval by the Oil Conservation Commission. To obtain approval, Craig has made application to the Commission by correspondence, copy of which is attached.

Craig hereby requests a waiver of objection from Marshall & Winston, Inc. under the provisions of Oil Conservation Division Rule 104 F. Please indicate your approval of proposed location, and waiver of objection pursuant to Rule 104 F, by signing and returning one copy of this letter.

Thank you for your attention to this matter.

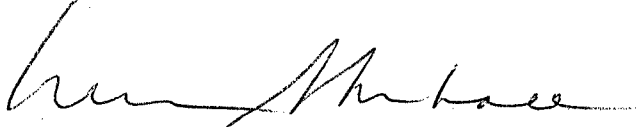
Yours truly,

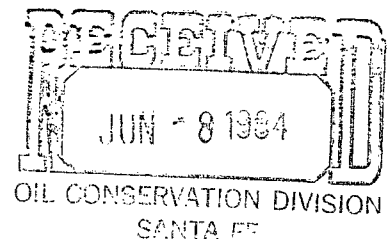

Steven R. Foy

SRF/lrs

Agreed and Accepted this 1st day of June, 1984.

MARSHALL & WINSTON, INC.

by 
William S. Marshall



EARLE M. CRAIG, JR. CORPORATION

1400 TWO FIRST CITY CENTER
MIDLAND, TEXAS
915 682-8244

1 June 1984

MAILING ADDRESS:
P. O. BOX 1351
MIDLAND, TEXAS 79702-1351

Pogo Producing Company
P. O. Box 10340
Midland, TX 79702

Attention Mr. Monty McLane

Sabre #1 Well
Waiver of Objection of Unorthodox Location
Lea County, New Mexico
Earle M. Craig, Jr. Corporation, Operator
Enterprise (Deep) Unit

Gentlemen:

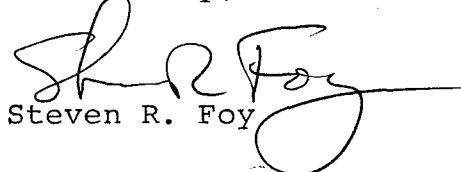
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As the proration unit is a "lay-down" 320 acres consisting of Lots 1-8 of said section, the proposed location is an unorthodox one and requires approval by the Oil Conservation Commission. To obtain approval, Craig has made application to the Commission by correspondence, copy of which is attached.

Craig hereby requests a waiver of objection from Pogo Producing Company under the provisions of Oil Conservation Division Rule 104 F. Please indicate your approval of proposed location, and waiver of objection pursuant to Rule 104 F, by signing and returning one copy of this letter.

Thank you for your attention to this matter.

Yours truly,

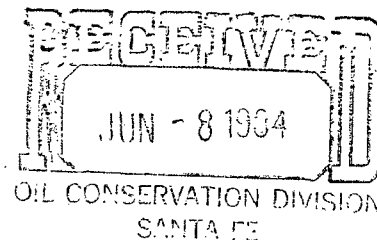

Steven R. Foy

SRF/lrs

Agreed and Accepted this 1st day of June, 1984.

POGO PRODUCING COMPANY

by Monty McLane
Monty McLane



EARLE M. CRAIG, JR. CORPORATION

1400 TWO FIRST CITY CENTER
MIDLAND, TEXAS
915 682-8244

MAILING ADDRESS:
P. O. BOX 1351
MIDLAND, TEXAS 79702-1351

1 June 1984

Texaco Inc.
P. O. Box 3109
Midland, TX 79702

Attention R. S. Lane

Sabre #1 Well
Waiver of Objection of Unorthodox Location
Lea County, New Mexico
Earle M. Craig, Jr. Corporation, Operator
Enterprise (Deep) Unit

Gentlemen:

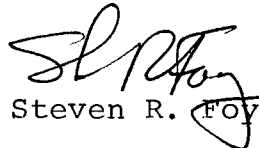
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Craig hereby requests a waiver of objection from Texaco Inc. under the provisions of Oil Conservation Division Rule 104 F. Please indicate your approval of proposed location, and waiver of objection pursuant to Rule 104 F, by signing and returning one copy of this letter.

Thank you for your attention to this matter.

Yours truly,

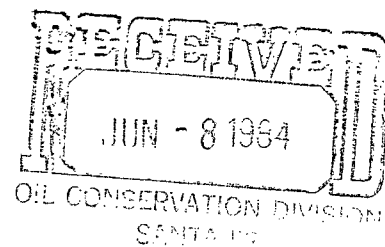

Steven R. Foy

SRF/lrs

Agreed and Accepted this 1st day of June, 1984.

TEXACO INC.

by 
R. S. Lane



EARLE M. CRAIG, JR. CORPORATION

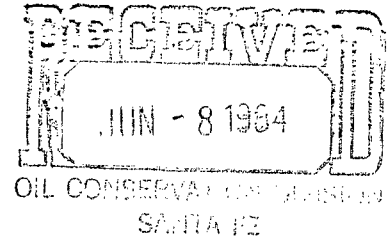
1400 TWO FIRST CITY CENTER
MIDLAND, TEXAS
915 682-8244

1 June 1984

MAILING ADDRESS:
P. O. BOX 1351
MIDLAND, TEXAS 79702-1351

Getty Oil Company
P. O. Box 1231
Midland, TX 79702

Attention Mr. Ron Munn



Sabre #1 Well
Waiver of Objection of Unorthodox Location
Lea County, New Mexico
Earle M. Craig, Jr. Corporation, Operator
Enterprise (Deep) Unit

Gentlemen:

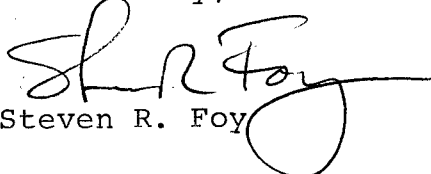
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Craig hereby requests a waiver of objection from Getty Oil Company under the provisions of Oil Conservation Division Rule 104 F. Please indicate your approval of proposed location, and waiver of objection pursuant to Rule 104 F, by signing and returning one copy of this letter.

Thank you for your attention to this matter.

Yours truly,

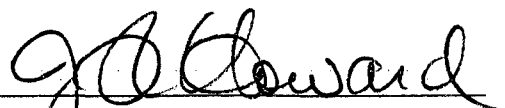

Steven R. Foy

SRF/lrs

Agreed and Accepted this 1st day of June, 1984.

GETTY OIL COMPANY

by


J. R. Howard
District Engineer

EARLE M. CRAIG, JR. CORPORATION

1400 TWO FIRST CITY CENTER
MIDLAND, TEXAS
915 682-8244

1 June 1984

MAILING ADDRESS:
P. O. BOX 1351
MIDLAND, TEXAS 79702-1351

MWJ Producing Company
1804 RepublicBank First National Midland Building
Midland, TX 79701

Attention Mr. Scott Bryant, Land Manager

Sabre #1 Well
Waiver of Objection of Unorthodox Location
Lea County, New Mexico
Earle M. Craig, Jr. Corporation, Operator
Enterprise (Deep) Unit

Gentlemen:

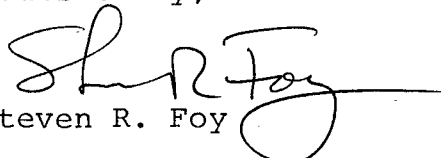
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Craig hereby requests a waiver of objection from MWJ Producing Company under the provisions of Oil Conservation Division Rule 104 F. Please indicate your approval of proposed location, and waiver of objection pursuant to Rule 104 F, by signing and returning one copy of this letter.

Thank you for your attention to this matter.

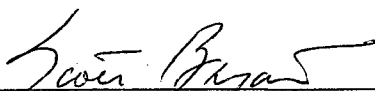
Yours truly,

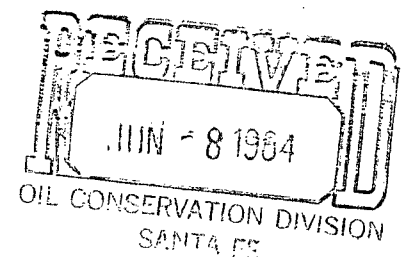

Steven R. Foy

SRF/lrs

Agreed and Accepted this 1st day of June, 1984.

MWJ PRODUCING COMPANY

by 
Scott Bryant, Land Manager

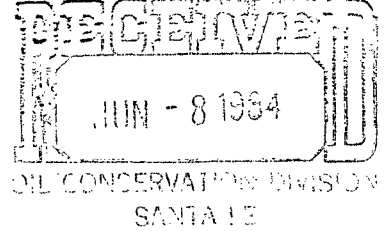


EARLE M. CRAIG, JR. CORPORATION

1400 TWO FIRST CITY CENTER
MIDLAND, TEXAS
915 682-8244

1 June 1984

MAILING ADDRESS:
P. O. BOX 1351
MIDLAND, TEXAS 79702-1351



Craig, Ltd.
c/o Earle M. Craig, Jr. Corporation
P. O. Box 1351
Midland, TX 79702

Sabre #1 Well
Waiver of Objection of Unorthodox Location
Lea County, New Mexico
Earle M. Craig, Jr. Corporation, Operator
Enterprise (Deep) Unit

Gentlemen:

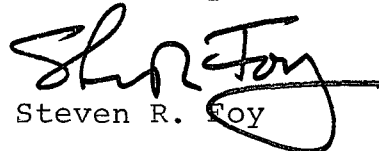
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Thank you for your attention to this matter.

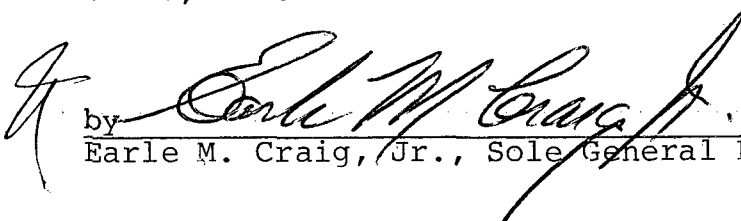
Yours truly,


Steven R. Foy

SRF/lrs

Agreed and Accepted this 1st day of June, 1984.

CRAIG, LTD.

by 
Earle M. Craig, Jr., Sole General Partner