

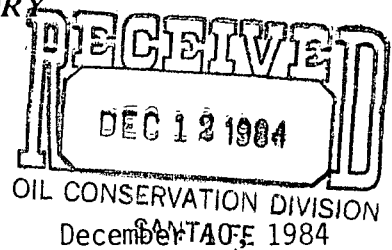
Release 1-2-85

"Specializing in Oil and Gas Operations on Federal Land"

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**PETROLEUM**  
**ENGINEERING & REGULATORY**  
**SERVICES**

101 E. Marland, Suite 105  
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Director  
Oil Conservation Division  
New Mexico Energy and Minerals Department  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Re: Application for Approval of  
Unorthodox Gas Well Location

Gentlemen:

Kerr-McGee Corporation, P.O. Box 250, Amarillo, Texas 79189, respectfully requests administrative approval of an unorthodox well location, because of topography, for well No. 2 Martha Creek Gas Com, Indian Basin Morrow Gas and Indian Basin Upper Penn Gas Pools, to be located 1700 feet from the north line and 1350 feet from the east line of Section 30, T.21 S., R.24 E., Eddy County, New Mexico.

This well is a proposed 9700 foot Morrow test on Federal oil and gas lease NM-029301. All of Section 30, which has been communitized, is to be dedicated to the well. This proposed well is a replacement well for well No. 1, which, after completion of well No. 2, will be plugged and abandoned.

Exhibit "A" is a portion of a topographic map (Martha Creek Quadrangle) showing a regular well location staked 1650 feet from the north and east lines of Section 30 and the proposed unorthodox well location. At the regular location, the well stake is only 140 feet from the edge of the cliff on the north side of Rocky Arroyo, and according to the Bureau of Land Management, is, for environmental reasons, too close to Rocky Arroyo which is a major drainage in the area. Also, because this is a hilly area, construction of a well pad here would require considerable cut and fill in terrain which looks to contain a good deal of solid rock. To move the location south would require moving the location in excess of 1,000 feet in order to clear the flood plain south of Rocky Arroyo's main channel. Moving the location north would move closer to the existing pipeline in an area where considerable cut and fill would be necessary and where shooting may be prohibited because of nearness to the pipeline.

In selecting the most practical alternate drill site, the well location

has been moved 300 feet east to be farther from Rocky Arroyo and 50 feet south to stay a sufficient distance from the existing pipeline. At this selected well site, located 1700 feet from the north line and 1350 feet from the east line of Section 30, cut and fill is reduced and the location is sufficiently distant from Rocky Arroyo to satisfy the Bureau of Land Management's requirements.

Exhibit "B" is a plat showing ownership of leases offsetting the proration unit for which the unorthodox location is sought as well as wells completed thereon.

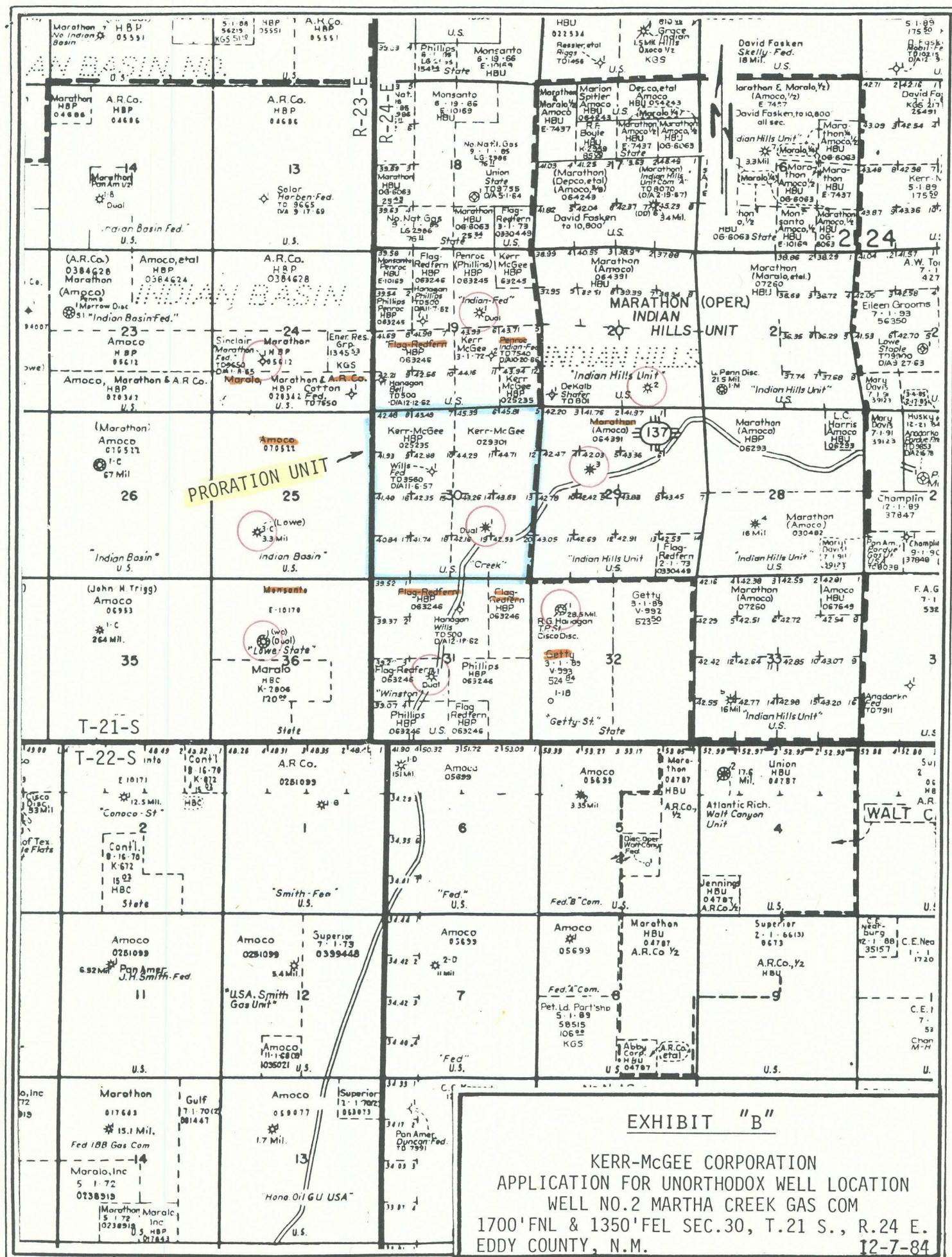
All operators offsetting the proration are being notified by Certified Mail of this application and are being asked to furnish waivers. A list of the names and addresses of such operators or owners, to whom notice is being mailed as of this date, is attached as Exhibit "C".

Sincerely,

  
Arthur R. Brown, Agent for  
KERR-McGEE CORPORATION

ARB/bb





Owners offsetting Section 30, T.21 S., R.24 E.:

- ✓ Amoco Production Company  
P. O. Box 68  
Hobbs, New Mexico 88240
- ✓ Arco Oil and Gas Company  
P. O. Box 1610  
Midland, Texas 79702
- ✓ Flag-Redfern Oil Company  
P. O. Box 11050  
Midland, Texas 79702
- ✓ Maralo, Inc.  
P. O. Box 832  
Midland, Texas 79702
- ✓ Marathon Oil Company  
P. O. Box 552  
Midland, Texas 79702
- ✓ Getty Oil Company  
P. O. Box 3109  
Midland, Texas 79702
- ✓ Monsanto Company  
Suite 1300  
1 First City Center  
Midland, Texas 79701
- ✓ Penrock Oil Corporation  
P. O. Drawer 831  
Midland, Texas 79702

EXHIBIT "C"

KERR-McGEE CORPORATION  
APPLICATION FOR UNORTHODOX WELL LOCATION  
WELL NO.2 MARTHA CREEK GAS COM  
1700'FNL & 1350'FEL SEC.30, T.21 S., R.24 E.  
EDDY COUNTY, N.M. 12-7-84