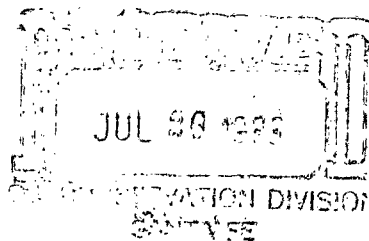


**A. R. KENDRICK**

Box 516 • Aztec, New Mexico 87410 • (505) 334 2555

July 25, 1985

Oil Conservation Division  
Box 2088  
Santa Fe, New Mexico 87501



Re: Application for Non-Standard Location

Gentlemen:

We respectfully request approval of the non-standard location of the S.E.R.H., Inc. Navajo 5 #2 well located 1980' FSL 660' FWL of Section 5, T26N, R19W, an Undesignated Organ Rock Gas well in San Juan County.

Administrative Order NSL-1977, dated January 25, 1985, approved the location for gas production from the Mississippian formation ( 160 acres).

All wells shown on Exhibit B are operated by S.E.R.H., Inc. either under lease from or by an Operating Agreement with the minerals owner, the Navajo Tribe of Indians. Therefore, there are no offset operators. The Navajo Tribe of Indians has been notified of this application by certified mail with this mailing.

If further information is needed, please contact me.

*1160 Ace Pool*

Yours very truly,

A. R. Kendrick

Enclosures

xc: Navajo Tribe of Indians  
c/o Bureau of Indian Affairs  
Navajo Area Office  
Box M  
Window Rock, Arizona 86515

S.E.R.H., Inc.  
Box 312  
Otis, Kansas 67565

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



TONEY ANAYA  
GOVERNOR

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

January 25, 1985

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Petroleum Energy, Inc.  
P. O. Box 2121  
Durango, Colorado 81301

Attention: Jay D. Magness

Administrative Order NSL-1977

Gentlemen:

Reference is made to your application for a non-standard location for your Navajo <sup>52 1/2</sup> Well located 1980 feet from the South line and 660 feet from the West line of Section 5, Township 26 North, Range 19 West, NMPM, Mountain Mississippi Pool Extension, San Juan County, New Mexico. The SW/4 of Section 5 shall be dedicated to the well.

By authority granted me under the <sup>Beautiful</sup> provisions of Rule 104 F(I), the above-described unorthodox location is hereby approved.

Sincerely,

R. L. STAMETS, DIRECTOR

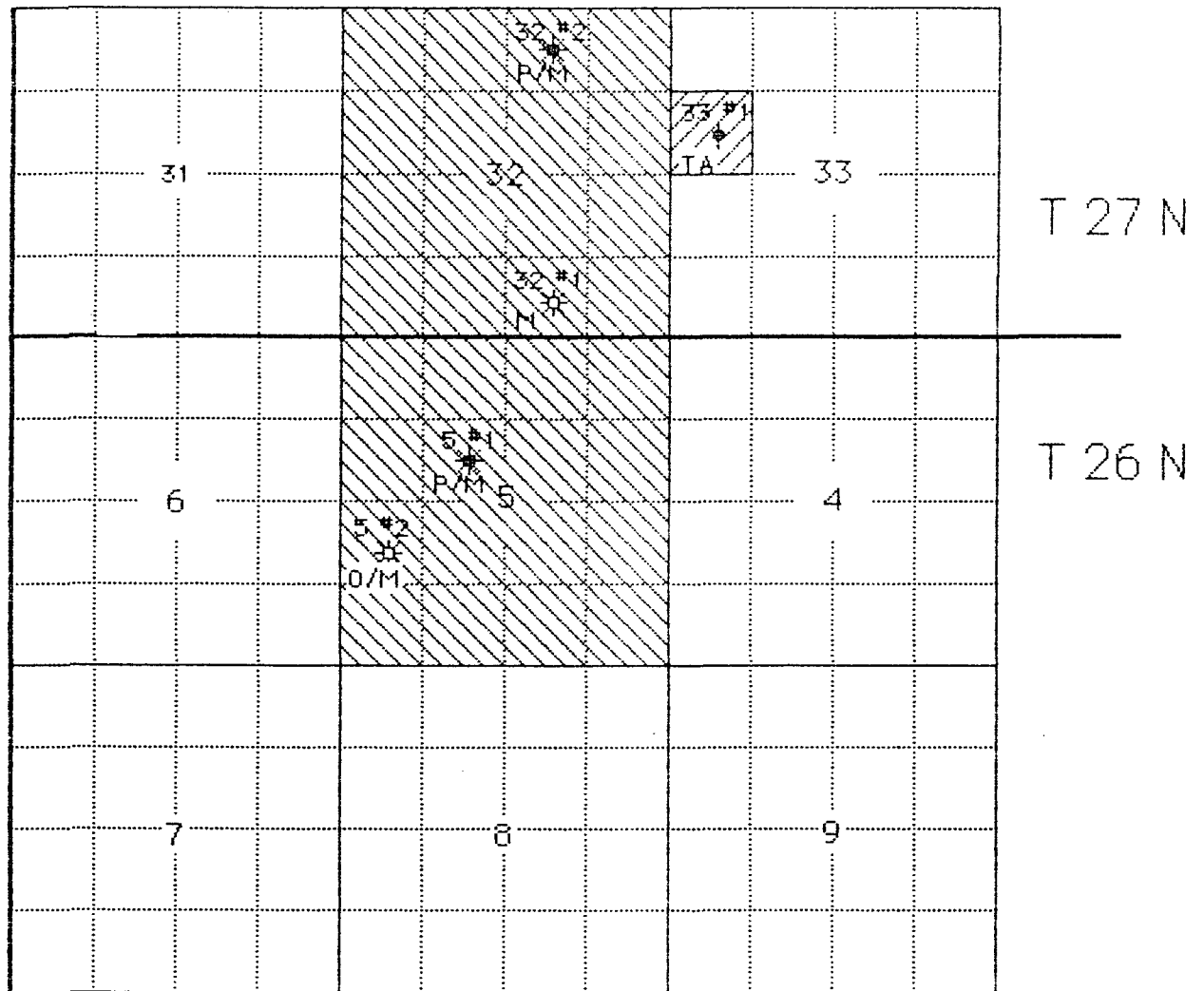
RLS/DC/dr

cc: ✓ Oil Conservation Division - Aztec  
Oil & Gas Engineering Committee - Hobbs  
Bureau of Land Management - Farmington

RECEIVED  
JAN 29 1985  
OIL CON. DIV.  
DIST. 3

EXHIBIT A

R 19 W



LEGEND



- = OIL WELL
- \* = OIL/GAS DUAL
- ⊗ = GAS WELL
- P = PENNSYLVANIAN OIL WELL
- M = MISSISSIPPIAN GAS WELL
- O = ORGAN ROCK GAS WELL
-  = ACREAGE LEASED FROM NAVAJO TRIBE BY S.E.R.H., INC.
-  = WELLS OPERATED BY S.E.R.H., INC. BY OPERATING AGREEMENT WITH THE NAVAJO TRIBE.

EXHIBIT B



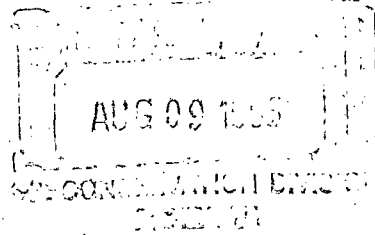
# ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

1977

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

OIL CONSERVATION DIVISION  
BOX 2088  
SANTA FE, NEW MEXICO 87501



DATE 8-5-85

RE: Proposed MC \_\_\_\_\_  
Proposed DHC \_\_\_\_\_  
Proposed NSL X \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Gentlemen:

I have examined the application dated 7-25-85  
for the S.E.R.H. Inc. Navajo #2 K-5-26N-19W  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours truly,

[Signature]