

*Release Immediately  
All waivers in.*

*Prepared By Michael E. Hogue By DC*

CAMPBELL & BLACK, P.A.

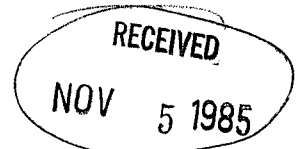
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
J. SCOTT HALL  
PETER N. IVES  
LOURDES A. MARTINEZ

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

*NSC-2187  
RULE-104F(E)*

November 6, 1985



R. L. Stamets, Director  
Oil Conservation Division  
New Mexico Department of  
Energy and Minerals  
Post Office Box 2088  
Santa Fe, New Mexico 87504-2088

*160 Acres ded. - NE 1/4 Section 25  
Lea Pennsylvanian Gas Pool*

Re: Application of Chama Petroleum Company for Administrative  
Approval of an Unorthodox Well Location.

Dear Mr. Stamets:

By Order No. R-7979, entered on July 11, 1985, the Division pooled all interests in the NE/4 of Section 25, Township 20 South, Range 34 East, N.M.P.M., Lea-Pennsylvanian Gas Pool, Lea County, New Mexico, and designated Chama Petroleum Company as operator of said unit.

Chama originally staked a well at a standard location 660 FNL and 1980 FEL of said Section 25. The BLM, however, has advised that in drilling at this location, Chama would have to place the drilling pad over a thirty-inch Marathon pipeline. So as not to interfere with this pipeline right-of-way, Chama has agreed with the BLM to move the well location to a point 585 FNL and 1880 FEL of said Section 25.

Pursuant to Oil Conservation Division Rule 104(f), Chama hereby seeks administrative approval of this unorthodox location. Attached hereto is a plat of the area showing the ownership of all leases offsetting the proposed spacing unit, all wells located thereon, and a red line indicating the location of the Marathon pipeline. As you will note, Chama owns all offsetting acreage except for that owned by BTA Oil Producers to the North and Northeast, and Exxon Company, U.S.A. to the East. Notice of

R. L. Stamets  
November 6, 1985  
Page Two

this application has been given to these offsetting owners in accordance with the provisions of Division Rule 104, and attached hereto are waivers of objection obtained from each of them.

Under Order No. R-7979, as extended by letter of the Director, Chama has until December 1, 1985, to commence the drilling of a well on this unit. Chama therefore requests that this application for administrative approval for a non-standard well location be expedited by the Division.

Your attention to this matter is appreciated.

Very truly yours,

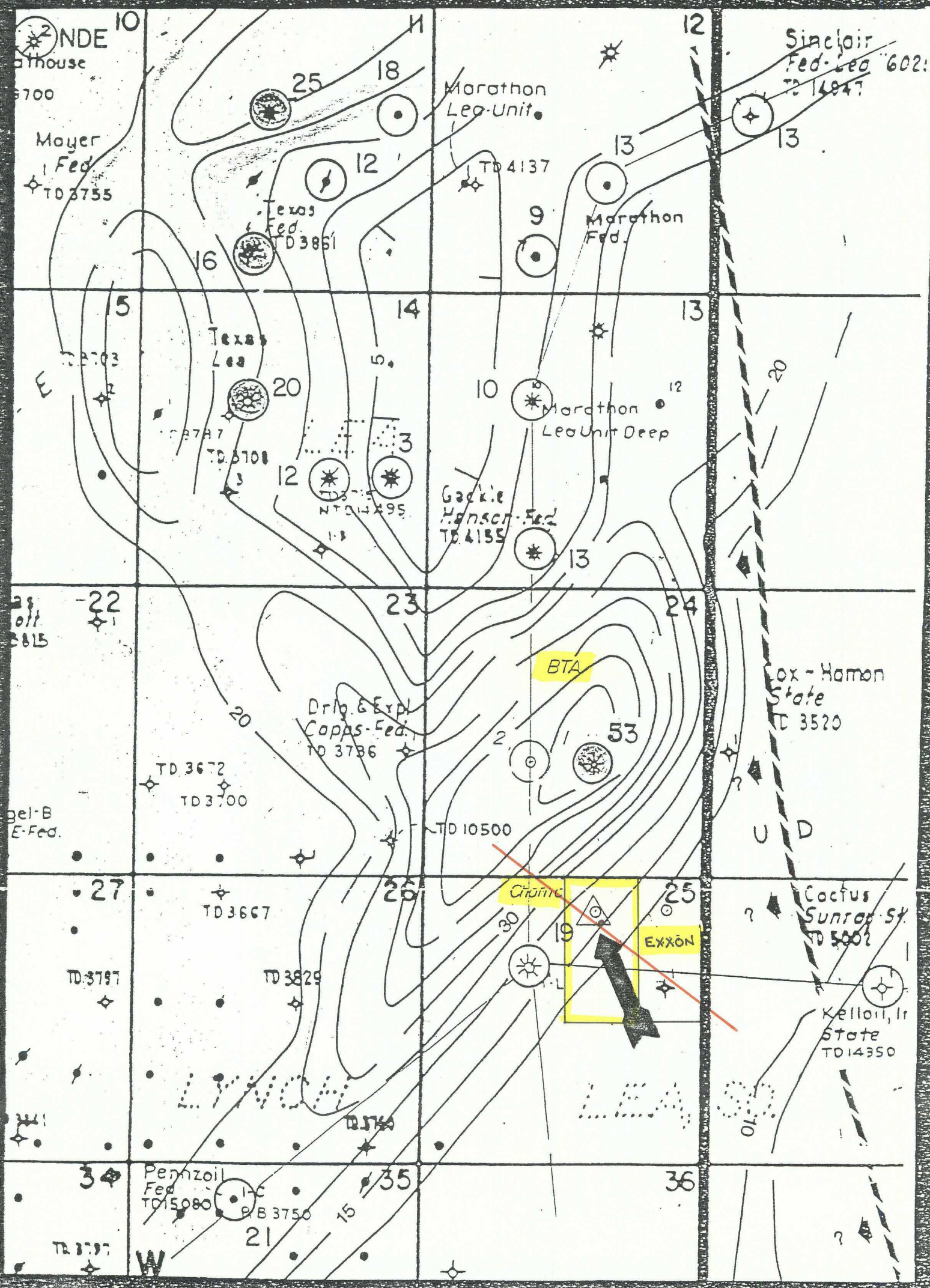
A handwritten signature in dark ink, appearing to read "William F. Carr", with a long horizontal line extending to the right.

William F. Carr  
Attorney for Chama  
Petroleum Company

WFC/cv  
enclosures

cc: Mark Nearburg







**Chama Petroleum Company**

Exploration and Production  
P.O. Box 31405  
5447 Glen Lakes Drive  
Dallas, Texas 75231  
214-739-1778

October 21, 1985

Mr. Bob Crawford  
BTA Oil Producers  
104 South Pecos  
Midland, Texas 79701-9988

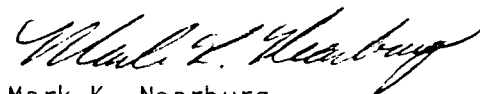
Re: BTA 8212 JV-P Lynch, Tract III  
Federal LS Com #1  
NE $\frac{1}{4}$  Sec. 25, 20S, 34E  
Lea County, New Mexico

Dear Mr. Crawford:

Chama Petroleum Company originally staked the captioned well at a standard legal location 660' FNL and 1980' FEL, however, the BLM has advised that at this location our pad would be over a 30" Marathon pipeline. After discussions with the BLM we have agreed that we will move the location 100' east and 75' north and turn the pad diagonally (NW/SE) so that we do not interfere with the pipeline right of way. However, by doing this, we will be drilling on a non-standard location and the NMOCD requires a waiver of objection from offset operators. If BTA has no objections, please do indicate by signing below and returning one (1) copy of this letter to my attention.

Thank you for your assistance.

Yours truly,

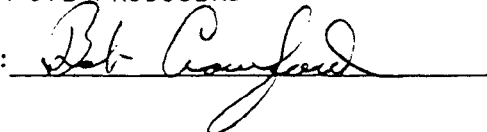


Mark K. Nearburg  
Land Manager

MKN/kc  
Enclosure

AGREED THIS 24<sup>th</sup> DAY OF October, 1985.

BTA OIL PRODUCERS

By: 

**Chama Petroleum Company**

Exploration and Production  
P.O. Box 31405  
5447 Glen Lakes Drive  
Dallas, Texas 75231  
214-739-1778

October 18, 1985

RECEIVED CENTRAL DIVISION TRADES				
RDJ	OCT 25 1985			MDD
LMT				JAF
MBB				JLS
DRL				

**RECEIVED  
MIDLAND**

OCT 25 1985

**EXXON  
Land Section**

Ms. Beth Bianchi  
Exxon Company, USA  
P.O. Box 1600  
Midland, Texas 79702-1600

Re: Devonian Farmout Request  
NE $\frac{1}{4}$  Sec. 25, 20S, 34E, NMPM  
Federal LS Com #1  
Lea County, New Mexico

RECEIVED CENTRAL DIVISION TRADES				
RDJ	OCT 2 1985			MDD
LMT				JAF
MBB				JLS
DRL				

Dear Ms. Bianchi:

Chama Petroleum Company originally staked the captioned well at a standard legal location 660' FNL and 1980' FEL, however, the BLM has advised that at this location our pad would be over a 30" Marathon pipeline. After discussions with the BLM we have agreed that we will move the location 100' east and 75' north and turn the pad diagonally (NW/SE) so that we do not interfere with the pipeline right of way. However, by doing this, we will be drilling on a non-standard location and the NMOCD requires a waiver of objection from offset operators. If Exxon has no objections, please so indicate by signing below and returning one (1) copy of this letter to my attention.

Thank you for your assistance.

Yours truly,

*Mark K. Nearburg*  
*kc*

Mark K. Nearburg  
Land Manager

MKN/kc  
Enclosure

AGREED THIS 1 DAY OF November, 1985.

*Exxon Corporation*  
EXXON COMPANY, USA

By: *M. G. Watson*  
M. G. Watson, Midland Expl. District Manager

**EXXON** COMPANY, U.S.A.

POST OFFICE BOX 1100, DALLAS, TEXAS 75202-1100

EXPLORATION  
CENTRAL

November 1, 1985

Chama Petroleum Company  
P. O. Box 31405  
5447 Glen Lakes Drive  
Dallas, Texas 75231

Attention: Mr. Mark K. Nearburg

Dear Mr. Nearburg:

Attached please find a copy of your October 18, 1985 letter requesting a waiver of objection for a non-standard location. Same has been accepted by Exxon.

Very truly yours,



M. Beth Bianchi  
Trades Group  
915/683-0233

MBB:ds

attachment