

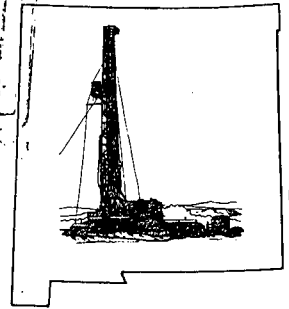
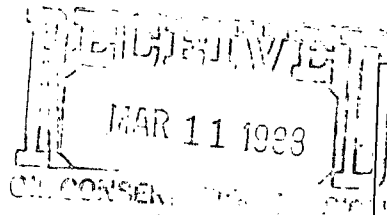
Release Date: March 28, 1988
Wavies in.

Energy Administrative Services Co.

Oil and Gas

POST OFFICE BOX 458 • ROSWELL, NEW MEXICO 88201

TELEPHONE (505) 623-4940



By DRC

Energy Administrative Services
Co. on behalf of Read & Stevens, Inc.

NSL-2487
RULE-104 F(I)

March 8, 1988

Mr. David Catanach, U.I.C. Director
New Mexico Energy and Minerals Dept.
Oil Conservation Div.
P. O. Box 2088
Santa Fe, New Mexico 87504

Undesignated Cedar Point
Strawn Pool
80-Acre dcd.
W/2 NE14 Sect 27

Re: Unorthodox Well Location: 2310' FNL & 1980' FEL, Sec. 27-T15S-R30E
Cedar Point Fed., Well No. 1 for Read & Stevens, Inc.

Dear Mr. Catanach:

Read & Stevens, Inc. is applying for administrative approval of an unorthodox well location for the above captioned well under the provisions of paragraph F of rule 104 of the New Mexico Oil Conservation Commission Rules and Regulations.

Field rules require that the SW4 and NE4 of a 160 acre unit be drilled with 80 acre spacing and a 200 foot radius limit from the center of the forty. Due to the field rules and terrain problems, as noted in enclosed copy of letter, the location needs to be on top of the large sand hill and not on the sides.

A lease ownership plat of the area of the proposed well is enclosed. Each offset operator is being notified, by certified mail, with three copies of this letter and is asked to indicate waiver of objection, by authorized signature in the space provided, on two copies of this letter.

The operators are requested to mail one signed copy to Mr. David Catanach, New Mexico Oil Conservation Dept. and one signed copy to George R. Smith, Energy Administrative Services Co., in the stamped, self addressed envelopes enclosed.

Sincerely yours,
ENERGY ADMINISTRATIVE SERVICES CO.

George R. Smith
George R. Smith

encl.

Page 2

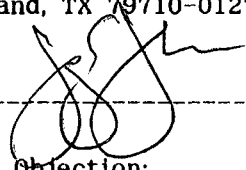
Re: Unorthodox Well Location
Read & Stevens, Inc.
Cedar Point Federal, Well No. 1
2310' FNL & 1980', Sec. 27-T15S-R30E

cc: Lease No. NM-19611 (Federal Lease)

New Mexico Oil Corporation
P. O. Box 1714
Roswell, NM 88202

McClellan Oil Corporation
P. O. Dr. 730
Roswell, NM 88202

Graham Resources, Inc.
P. O. Box 50127
Midland, TX 79710-0127



Waiver of Objection:

JAY E. JOHNSON DISTRICT ENGINEER

Name and Title

GRAHAM ROYALTY, LTD.

Company Name

MARCH 21, 1988

Date

Page 2

Re: Unorthodox Well Location
Read & Stevens, Inc.
Cedar Point Federal, Well No. 1
2310' FNL & 1980', Sec. 27-T15S-R30E

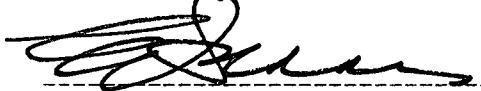
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Graham Resources, Inc.
P. O. Box 50127
Midland, TX 79710-0127

Waiver of Objection:



Name and Title L. C. Harris, President

NEW MEXICO OIL CORPORATION
Company Name

March 16, 1988
Date

Page 2

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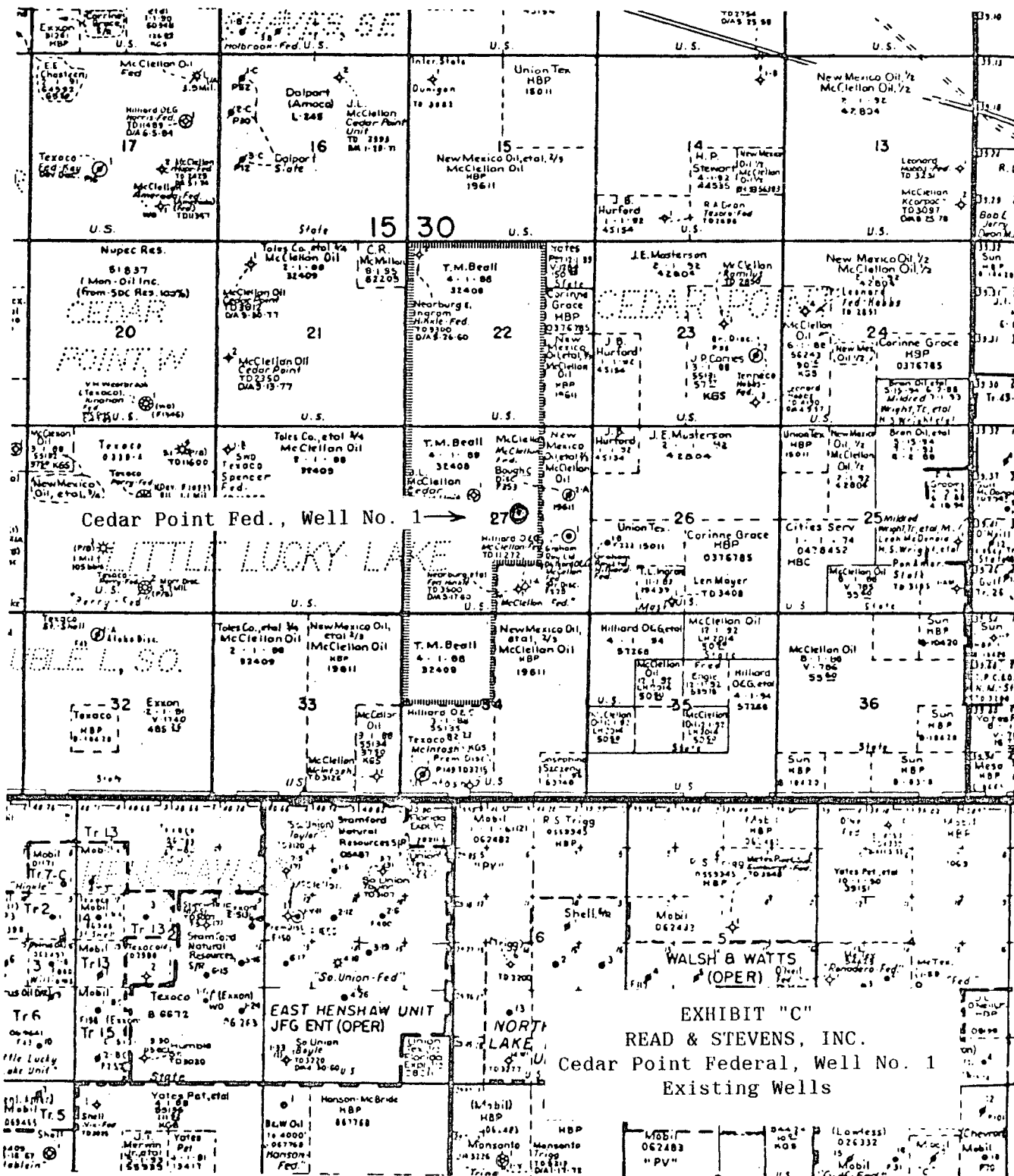
Name and Title

Company Name

Date

CEDAR POINT PROSPECT

Township 15 South, Range 30 East
Chaves County, New Mexico



Page 2

Re: Unorthodox Well Location
Read & Stevens, Inc.
Cedar Point Federal, Well No. 1
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Roswell, NM 88202

McClellan Oil Corporation
P. O. Dr. 730
Roswell, NM 88202

Graham Resources, Inc.
P. O. Box 50127
Midland, TX 79710-0127

Waiver of Objection:

Mark McClellan - Asst. Treasurer
Name and Title

McClellan Oil Corp.
Company Name

3/15/88
Date

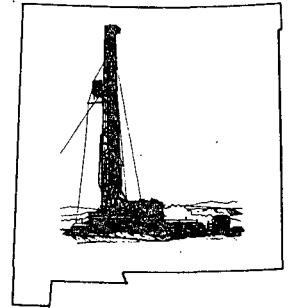
Energy Administrative Services Co.

Oil and Gas

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TELEPHONE (505) 623-4940

MAR - 7 1988



March 4, 1988

Ms. Florine Davidson
New Mexico Energy and Minerals Dept.
Oil Conservation Div.
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Unorthodox Location: 2310' FNL & 1980' FEL, Sec. 27-T15S-R30E
Cedar Point Fed., Well No. 1 for Read & Stevens, Inc.

Dear Ms. Davidson:

Read & Stevens, Inc. is filing an APD with the Roswell office of the Bureau of Land Management for the above captioned well. According to the field rules for the Cedar Point Strawn field, a well must be located within a 200 foot radius of the center of the SW4 or NE4 of each quarter section. The above location is correct as to the SW4 of the NE4, but because of terrain this location is 130' south of the 200' radius.

This area is part of the Mescalero Sands which form many sand dunes and deflation basins. This location is on top of a very large sand hill, some 1000 feet across, and is 20 to 30 feet above the surrounding terrain. The entire hill is made up of sand dunes and deflation basins, with the basins being 10 to 15 feet below the top level as you move away from the location. Any move to the north, east or west would require cutting into the side of the sand hill with a 10 to 12 foot cut on one side, which would be difficult to work around because of the blowing exposed sand, and the Bureau of Land Management does not like cuts of this magnitude. Lack of approval from BLM for alternate locations would make it very difficult to drill this 80 acres. For this reason, Read & Stevens, Inc. is requesting administrative approval to use the present location at 2310' FNL & 1980' FEL of this section.

Very Truly Yours,
ENERGY ADMINISTRATIVE SERVICES CO.

George R. Smith
George R. Smith

encl

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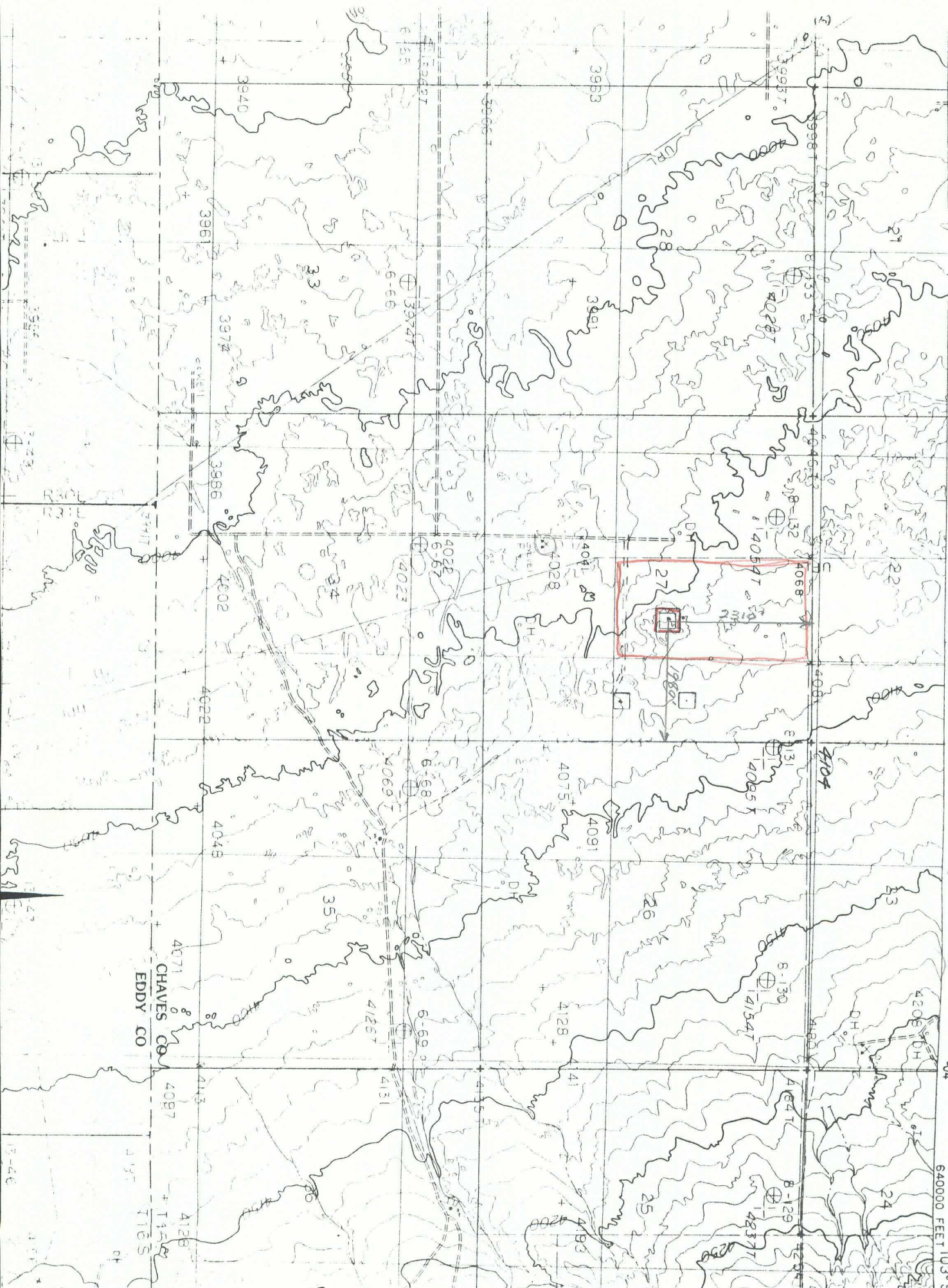
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NEW MEXICO
7/100
7.5 MINUTE SERIES (TOPOGRAPHIC)
64000 FEET 103° 52'



READ & STEVENS, INC.
CEDAR POINT STRAWN FIELD
SEC. 27 - T15S - R30E