

Release Date: June 28, 1988
Waivers in

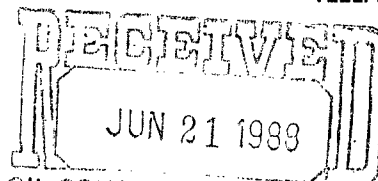
By: [Signature]

OIL PRODUCER

W. A. MONCRIEF, JR.

400 METRO BUILDING
MIDLAND, TEXAS 79701

TELEPHONE 682-1762



June 15, 1988

Mr. David Catanach
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

*Undiagnosed
Baldridge Canyon
Morrow
Gas Pool*

*360 FNL Ridge State
Well No. 1
1980 FNL, Section 17
320 Perched
N/2 Section 17*

*NSL-2551
RULE-104 (F)*

Re: Unorthodox location
N/2 section 17, T24S, R25E
Eddy County, New Mexico

Dear Mr. Catanach:

W. A. Moncrief, Jr. has proposed his #1 Ridge State as an 11,200' Morrow gas test in N/2 N/2 section 17 of T24S, R25E.

The surveyor was advised to stake a legal location in N/2 N/2 of section 17; but discovered that the extremely rough terrain made this impossible. The best spot for a reasonably priced location is 1980' FWL and 360' FNL section 17.

We would like administrative approval to drill this unorthodox location as soon as possible since our lease expires 10-1-88. We have notified the offset operators of our intention to drill this unorthodox location.

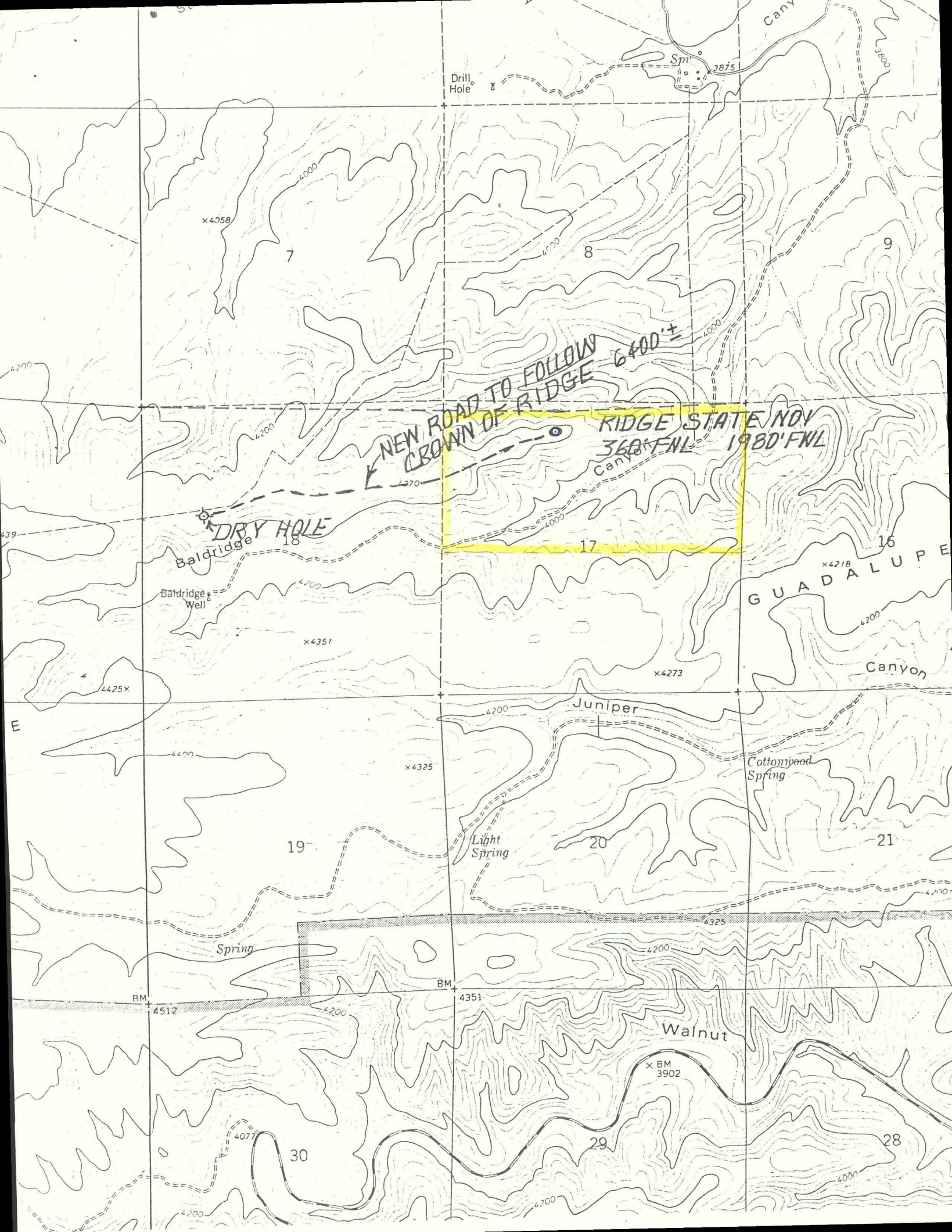
Attached is a copy of the topog sheet of the area. Mr. Dan Reddy (surveyor) of Carlsbad, New Mexico advises me that the north line of section 17 is farther south than shown on the topog sheet because the location 660' FNL fell on the south side of the cliff based on the corners he found. I will forward a copy of the C-102 to you as soon as I receive it from the surveyor.

Also attached are the three (3) signed waiver letters by Terra Resources, O'Brien, Goins and Simpson and El Paso (Meridian). I will forward the signed waiver letters from Exxon and Maralo, Inc. as soon as I get them.

Very truly yours,

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

xc: W. A. Moncrief, Jr.



OIL PRODUCER

W. A. MONCRIEF, JR.
400 METRO BUILDING
MIDLAND, TEXAS 79701



June 17, 1988

Mr. David Catanach
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

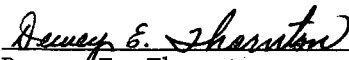
Re: W. A. Moncrief, Jr.
#1 Ridge State
1980' FWL & 360' FNL section 17
T24S, R25E
Eddy County, New Mexico

Dear Mr. Catanach:

Attached is one (1) copy of the form C-102 on the above-referenced un-orthodox location which I recieved from the surveyor today.

We don't know at this time whether Exxon and El Paso will join us, farm out to us or have to be force pooled.

Very truly yours,


Dewey E. Thornton
Exploration Manager

xc: W. A. Moncrief, Jr.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

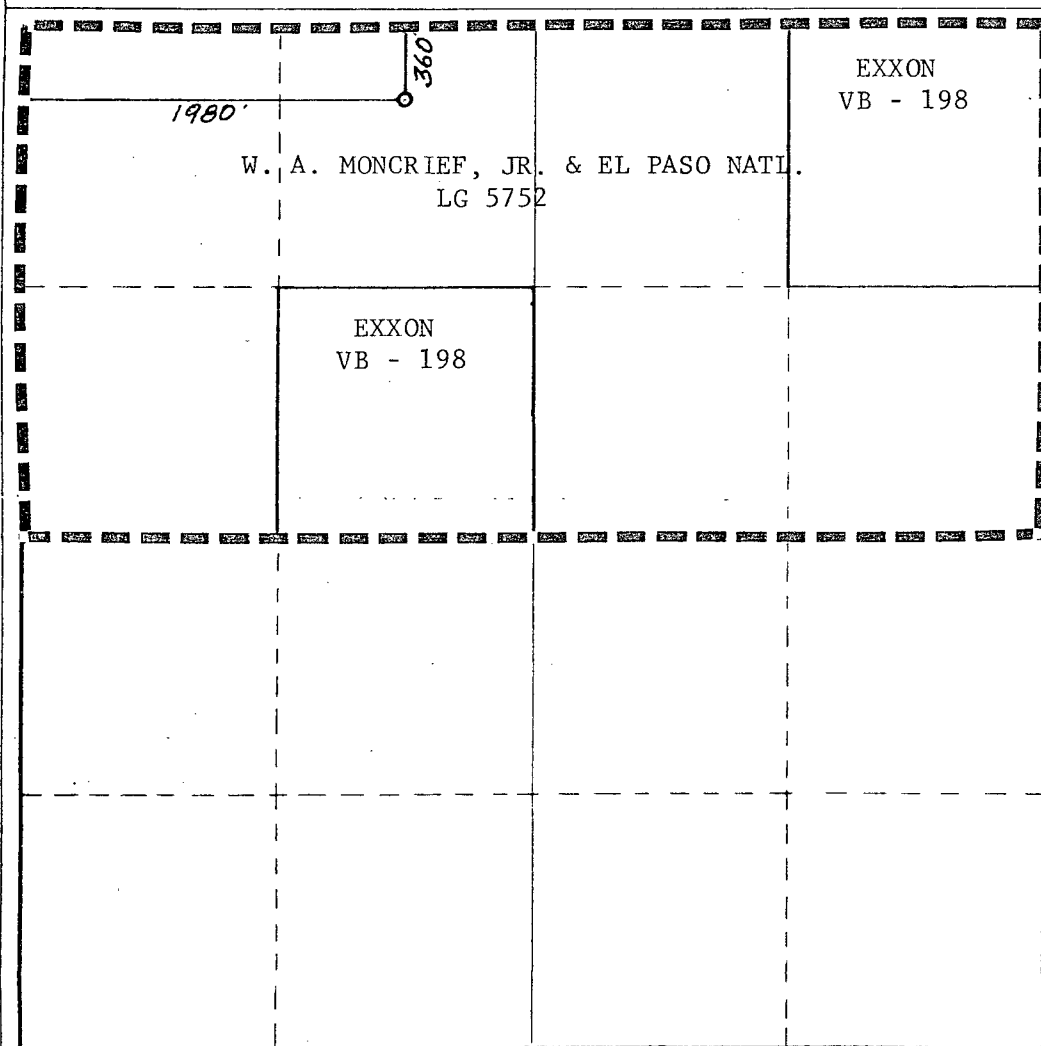
| | | | | | |
|---|--------------------------------------|-----------------------------|--|------------------------------------|----------------------|
| Operator W. A. MONCRIEF, JR. | | | Lease Ridge State | | Well No. 1 |
| Unit Letter C | Section 17 | Township 24 South | Range 25 East | County Eddy County, N.M. | |
| Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 360 feet from the North line and 1980 feet from the West line </div> | | | | | |
| Ground Level Elev. 4215. | Producing Formation Morrow | Pool Wildcat | Dedicated Acreage: 320 Acres | | |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Dewey E. Thornton
Name

DEWEY E. THORNTON

Position

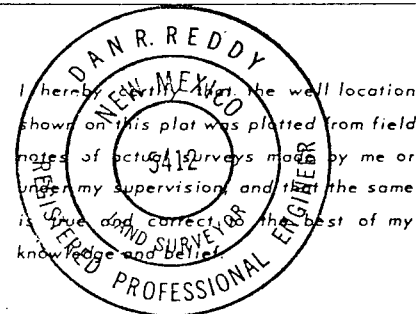
EXPLORATION MANAGER

Company

W. A. MONCRIEF, JR.

Date

6-17-88



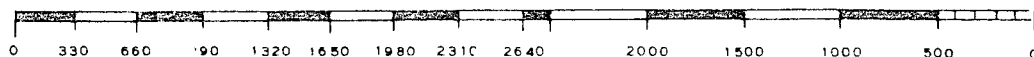
Date Surveyed

June 16, 1988

Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy
Certificate No.

NM PE&LS NO. 5412



OIL PRODUCER

W. A. MONCRIEF, JR.

400 METRO BUILDING
MIDLAND, TEXAS 79701

TELEPHONE 682-1762

June 15, 1988

Kevin Pfister
Terra Resources
10 Desta Drive
Suite 500 West
Midland, Texas 79705

Re: W. A. Moncrief, Jr.
#1 Ridge State
N/2 section 17, T24S, R25E
Eddy County, New Mexico

Gentlemen:

W. A. Moncrief, Jr. proposes to drill the #1 Ridge State as an 11,200' Morrow test an an unorthodox location 1980' FWL and 360' FNL of section 17, T24S, R25E due to extremely rough topography. The N/2 section 17 will be the 320 acre proration unit for the proposed test which will evaluate both the Morrow and Strawn formations.

Mr. Moncrief is asking the Oil Conservation Division in Santa Fe for administrative approval to drill this unorthodox location.

If your company, as an offset operator, has no objection to this unorthodox location; please so signify by checking the box at the bottom of this page and return one copy to me at your earliest convenience.

Very truly yours,

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

xc: W. A. Moncrief, Jr.

Terra Resources Inc. as an offset operator, has no objection to the drilling of the above-referenced well as an unorthodox location.

By: Kevin Pfister Position: Sr. Landman Date: June 15 1988

OIL PRODUCER

W. A. MONCRIEF, JR.
400 METRO BUILDING
MIDLAND, TEXAS 79701

TELEPHONE 682-1762

June 15, 1988

Dennis Sledge
Meridian Oil, Inc. and
El Paso Natural Gas Company
21 Desta Drive
Midland, Texas 79705

Re: W. A. Moncrief, Jr.
#1 Ridge State
N/2 section 17, T24S, R25E
Eddy County, New Mexico

Gentlemen:

W. A. Moncrief, Jr. proposes to drill the #1 Ridge State as an 11,200' Morrow test at an unorthodox location 1980' FWL and 360' FNL of section 17, T24S, R25E due to extremely rough topography. The N/2 section 17 will be the 320 acre proration unit for the proposed test which will evaluate both the Morrow and Strawn formations.

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Very truly yours,

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

xc: W. A. Moncrief, Jr.

EL Paso (Meridian Oil, Inc.) as an offset operator, has no objection to the drilling of the above-referenced well as an unorthodox location.

By: G. H. Jamer Position: Reg. Expl. Mgr. Date: 6/15/88

OIL PRODUCER

W. A. MONCRIEF, JR.
400 METRO BUILDING
MIDLAND, TEXAS 79701

TELEPHONE 682-1762

June 15, 1988

Mark Wheeler
Maralo, Inc.
P. O. Box 832
Midland, Texas 79702

Re: W. A. Moncrief, Jr.
#1 Ridge State
N/2 section 17, T24S, R25E
Eddy County, New Mexico

Gentlemen:

W. A. Moncrief, Jr. proposes to drill the #1 Ridge State as an 11,200' Morrow test at an unorthodox location 1980' FWL and 360' FNL of section 17, T24S, R25E due to extremely rough topography. The N/2 section 17 will be the 320 acre proration unit for the proposed test which will evaluate both the Morrow and Strawn formations.

Mr. Moncrief is asking the Oil Conservation Division in Santa Fe for administrative approval to drill this unorthodox location.

If your company, as an offset operator, has no objection to this unorthodox location; please so signify by checking the box at the bottom of this page and return one copy to me at your earliest convenience.

Very truly yours,

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

xc: W. A. Moncrief, Jr.

MARALO INC. as an offset operator, has no objection to the drilling of the above-referenced well as an unorthodox location.

By: R. A. Lowery Position: Production Manager Date: June 20, 1988
R. A. Lowery

OIL PRODUCER

W. A. MONCRIEF, JR.

400 METRO BUILDING
MIDLAND, TEXAS 79701

TELEPHONE 682-1762

June 15, 1988

Paul Yale
Exxon Company, USA
P. O. Box 1600
Midland, TX 79702

Re: W. A. Moncrief, Jr.
#1 Ridge State
N/2 section 17, T24S, R25E
Eddy County, New Mexico

Gentlemen:

W. A. Moncrief, Jr. proposes to drill the #1 Ridge State as an 11,200' Morrow test at an unorthodox location 1980' FWL and 360' FNL of section 17, T24S, R25E due to extremely rough topography. The N/2 section 17 will be the 320 acre proration unit for the proposed test which will evaluate both the Morrow and Strawn formations.

Mr. Moncrief is asking the Oil Conservation Division in Santa Fe for administrative approval to drill this unorthodox location.

If your company, as an offset operator, has no objection to this unorthodox location; please so signify by checking the box at the bottom of this page and return one copy to me at your earliest convenience.

Very truly yours,

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

xc: W. A. Moncrief, Jr.

Exxon Corporation as an offset operator, has no objection to the drilling of the above-referenced well as an unorthodox location.

By: James Howell Position: Division Staff Engr. Date: 6/21/88

OIL PRODUCER

W. A. MONCRIEF, JR.

400 METRO BUILDING
MIDLAND, TEXAS 79701

TELEPHONE 682-1762

June 15, 1988

Tom O'Brien
O'Brien, Goins and Simpson
First City Center #2
Suite 1140
Midland, Texas 79701

Re: W. A. Moncrief, Jr.
#1 Ridge State
N/2 section 17, T24S, R25E
Eddy County, New Mexico

Gentlemen:

W. A. Moncrief, Jr. proposes to drill the #1 Ridge State as an 11,200' Morrow test at an unorthodox location 1980' FWL and 360' FNL of section 17, T24S, R25E due to extremely rough topography. The N/2 section 17 will be the 320 acre proration unit for the proposed test which will evaluate both the Morrow and Strawn formations.

Mr. Moncrief is asking the Oil Conservation Division in Santa Fe for administrative approval to drill this unorthodox location.

If your company, as an offset operator, has no objection to this unorthodox location; please so signify by checking the box at the bottom of this page and return one copy to me at your earliest convenience.

Very truly yours,

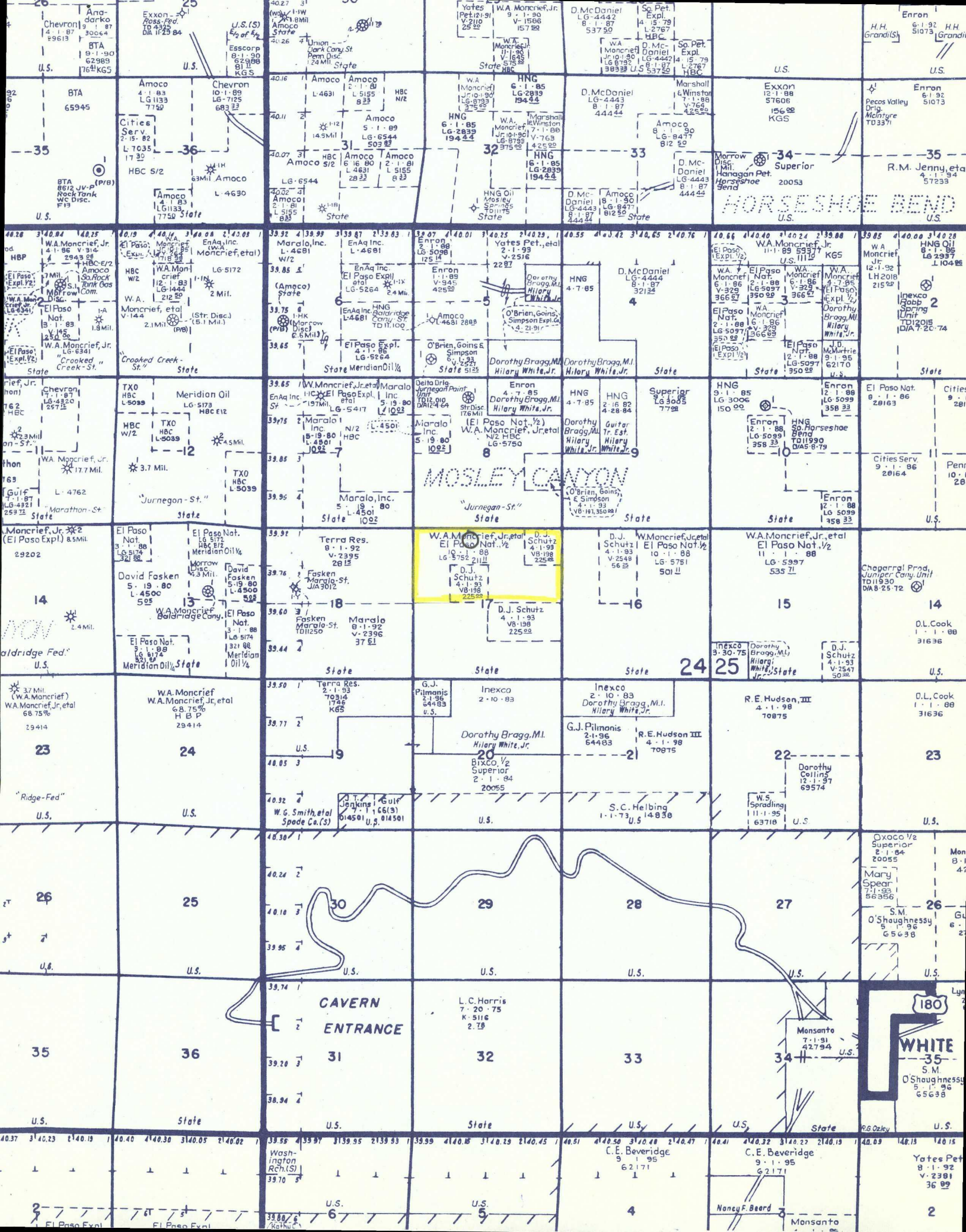
Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

xc: W. A. Moncrief, Jr.

O'Brien Goins Simpson Exploration Co.

by: Thom O'Brien as an offset operator, has no objection to the drilling of the above-referenced well as an unorthodox location.

By: Thom O'Brien Position: Partner Date: 6-15-88

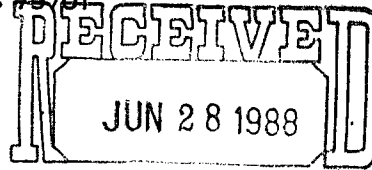


OIL PRODUCER

W. A. MONCRIEF, JR.

400 METRO BUILDING
MIDLAND, TEXAS 79701

TELEPHONE 682-1762



June 24, 1988

OIL CONSERVATION DIVISION
SANTA FE

Mr. David Catanach
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: W. A. Moncrief, Jr.
#1 Ridge State
Unorthodox location
1980' FWL & 360' FNL
Sec. 17, T24S, R2SE
Eddy County, New Mexico

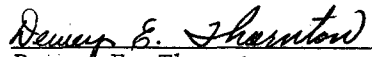
Dear Mr. Catanach:

Attached are signed waiver letters from Exxon and Maralo, Inc. saying they have no objection to Moncrief drilling the above referenced unorthodox location. We now have signed waiver letters from all offset operators.

This should enable you to grant us administrative approval to drill this unorthodox location.

If you need more information or have questions, please call me at 915/682-1762 or 682-5101.

Very truly yours,


Dewey E. Thornton
Exploration Manager

xc: W. A. Moncrief, Jr.