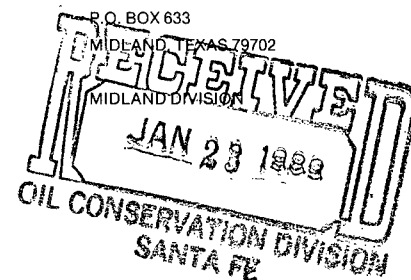


Mobil Exploration & Producing U.S. Inc.

January 17, 1989



State of New Mexico
Energy and Minerals Department
Oil Conservation Division
State Land Office Building
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention: Dave Catanach

UNORTHODOX WELL LOCATION
STATE SEC. 17 COM.
WELL NO. 3
UNDESIGNATED - ATOKA GAS
LEA COUNTY, NEW MEXICO

Gentlemen:

Mobil Exploration & Producing U.S. Inc. (MEPUS), as Agent for Mobil Producing Texas & New Mexico Inc., respectfully requests authority to recomplete the subject well to an undesignated field, at an unorthodox location.

This request is necessary, as required by the South Shoebar-Atoka Gas Pool Field Rules, due to the well being less than 660 feet from the side of the proration unit.

The following items are being submitted, in triplicate, in support of this request:

1. Form C-101 - Application for Permit to Drill, Deepen or Plug Back;
2. Form C-102 - Well location and acreage dedication plat;
3. Map showing Offset Operators;
4. Copy of Certified letter to Offset Operators.

State of New Mexico
Unorthodox Well Location
State-Section 17 Com. #3

-2-

January 17, 1989

A copy of this letter and attachments are being furnished to the Offset Operators by Certified Mail, as notice of this application.

The original location was called at 660' from the side of the proration unit but had to be moved 100' Northeast due to the presence of a Gulf pipeline running under the location. Please see the attached sketch. For this reason MEPUS requests that this unorthodox location be administratively approved.

Yours very truly,



M. E. Sweeney
Environmental & Regulatory Manager

Mobil Exploration & Producing U.S. Inc.
as Agent for
Mobil Producing Texas & New Mexico Inc.

JWD/arr

attachments

cc: Oil Conservation Division - Hobbs
Offset Operators (w/attach)

State of New Mexico
Unorthodox Well Location
State-Section 17 Com. #3

-2-

January 17, 1989

A copy of this letter and attachments are being furnished to the Offset Operators by Certified Mail, as notice of this application.

The original location was called at 660' from the side of the proration unit but had to be moved 100' Northeast due to the presence of a Gulf pipeline running under the location. Please see the attached sketch. For this reason MEPUS requests that this unorthodox location be administratively approved.

Yours very truly,



M. E. Sweeney
Environmental & Regulatory Manager

Mobil Exploration & Producing U.S. Inc.
as Agent for
Mobil Producing Texas & New Mexico Inc.

JWD/arr

attachments

cc: Oil Conservation Division - Hobbs
Offset Operators (w/attach)

bcc: w/attachments
Central Files
Regulatory Files
Proration Acct.
Dist. Opr. Mgr. Hobbs
Area Prod. Supv. Buckeye

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒ RE-ENTER ☐ DEEPEN ☐ PLUG BACK ☐

b. Type of Well:

OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. Name of Operator

Mobil Producing Tx. & N.M. Inc.

3. Address of Operator

P.O. Box 633, Midland, Texas 79702

7. Lease Name or Unit Agreement Name

State Sec. 17 Com.

8. Well No.

3

9. Pool name or Wildcat

Undesignated, Atoka Gas

4. Well Location

Unit Letter K : 2064 Feet From The West Line and 2034 Feet From The South Line

Section 17 Township T-17-S Range 35-E NMPM Lea County

10. Proposed Depth

12,700

11. Formation

Atoka Gas

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

3976

14. Kind & Status Plug. Bond

Active Blanket

15. Drilling Contractor

Unknown

16. Approx. Date Work will start

March 15, 1989

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17-1/2	13-3/8	48.0#	400	(1) 400	Surface
11	8-5/8	32.0#	5000	(2) 5000	Surface
7-7/8	5-1/2	17.0#	4500-12,500	(3) 8000	4200

CASING AND CEMENT DATA

INTERVAL	CSG	SECT	WT/FT	GRADE	CONN	SX/	CALC	#/	QMT	LOGGING PROGRAM	INTERVAL
FROM-----TO	SIZE	LENGTH				QMT	TOP	CEN	TYPE	TYPE	TD-5000'
urf 0-400'	13 3/8"	400'	48	H-40	STC		surf		C + 2% CaCl	DLL-MSFL-GR	TD-5000'
nter 0-5000'	8 5/8"	5000'	32	K-55	LTC		surf		FoamC/C neat	CNL-LDT-GR (CNL to surf)	TD-5000'
rod 4500-9000'	5 1/2"	4500	17	K-55	LTC		4200'			Sonic-GR	TD-5000'
9000-12,500'	5 1/2"	3500	17	L-80	LTC		11,000'		TLW/H neat	FMS	TD-10,500'

REGULATORY CONSIDERATIONS

None

BLOWOUT PREVENTER PROGRAM

CASING

ECT	SIZE	DEPTH	BOF	RATING	MIN ARR	CHOKE RATING
urf	13 3/8"	400'	13 5/8"	3000	SRR	3000
nter	8 5/8"	5000'	11"	5000	SRRA	5000

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE

M. E. Sweeney

TITLE

Manager Environmental & Regulatory DATE 1/13/89

Mobil Producing Texas & New Mexico Inc.

acting by and through its agent

Mobil Exploration & Producing U.S. Inc. TELEPHONE NO. (915) 688-2452

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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

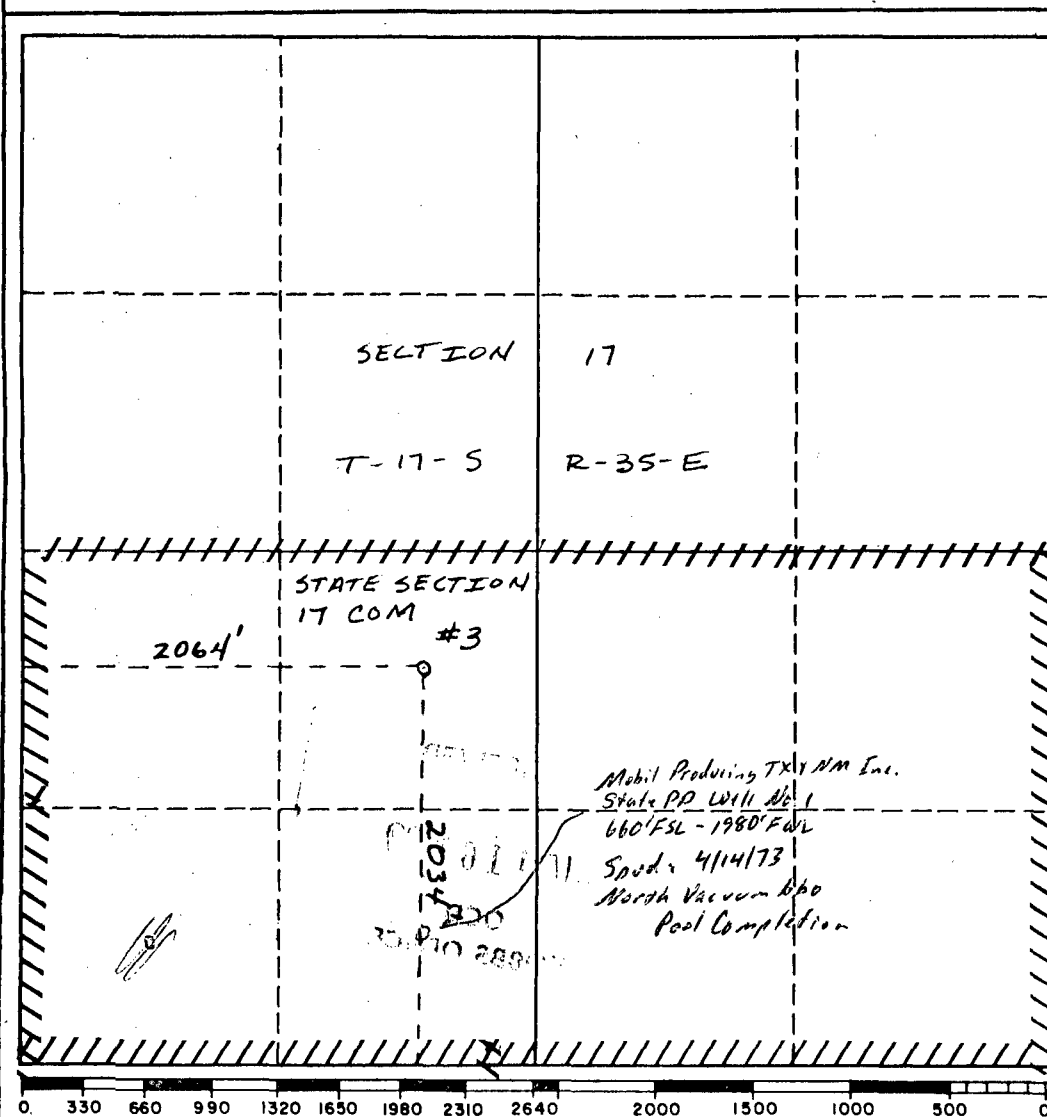
Operator MOBIL EXPLORATION AND PRODUCING U.S. INC.			Lease STATE SECTION 17 COM		Well No. 3
Unit Letter K	Section 17	Township 17-S	Range 35-E	County LEA	
Actual Footage Location of Well: 2034 feet from the SOUTH line and 2064 feet from the WEST line					
Ground Level Elev. 3976	Producing Formation Atoka Gas		Pool Undesignated		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 Communitization

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 Division.



CERTIFICATION

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

M.E. Sweeney M.E. Sweeney

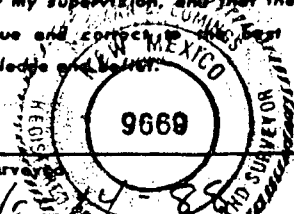
Name Manager
Environmental & Regulatory

Position
Mobil Producing Texas & N.M. Inc.
acting by and through its agent
Company

Mobil Exploration & Producing

Date U.S. Inc.
1/13/89

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.



Date Surveyed

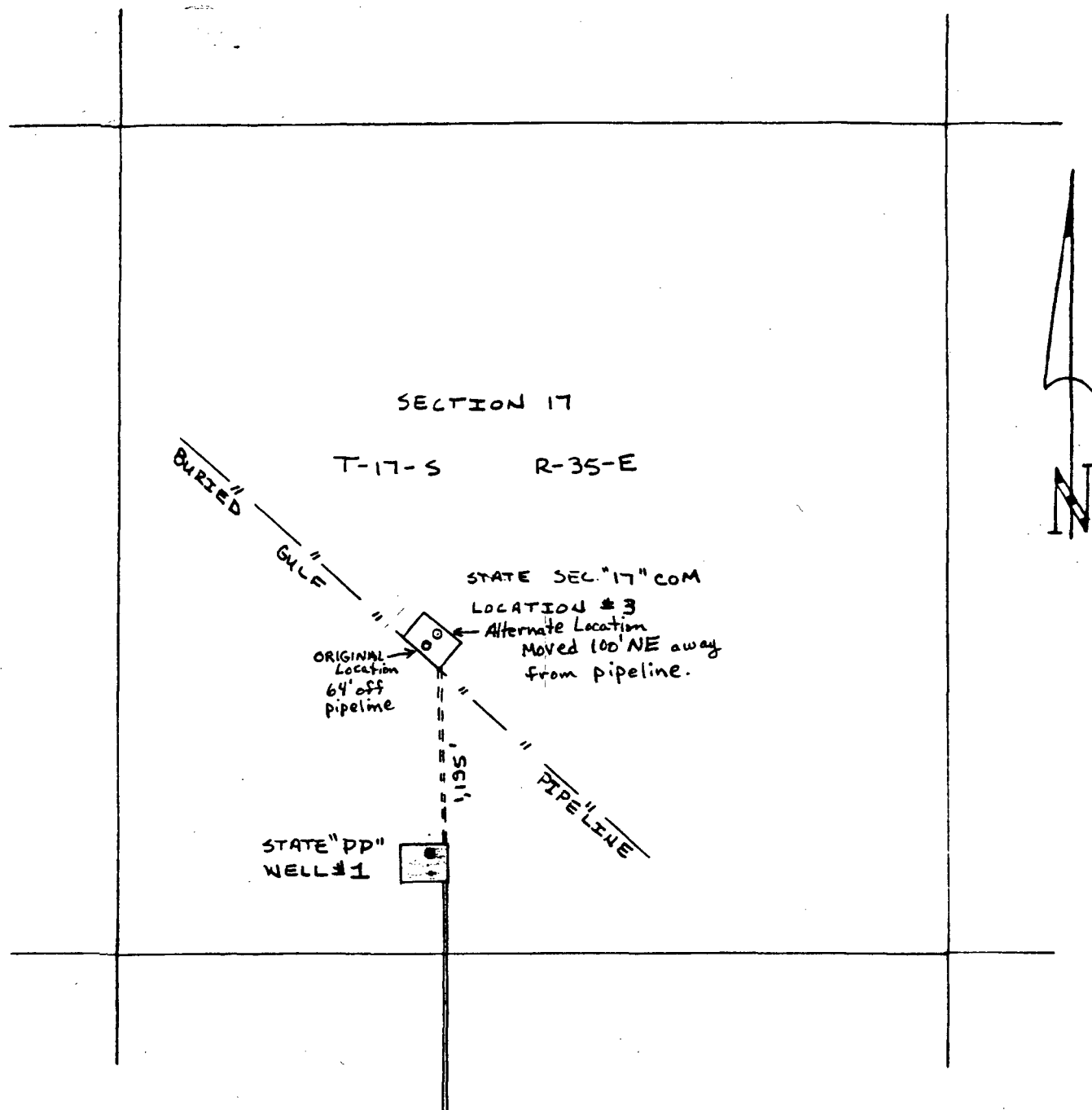
Registered Professional Engineer
and/or Land Surveyor

Thomas E. Cury

Certificate No.

9669

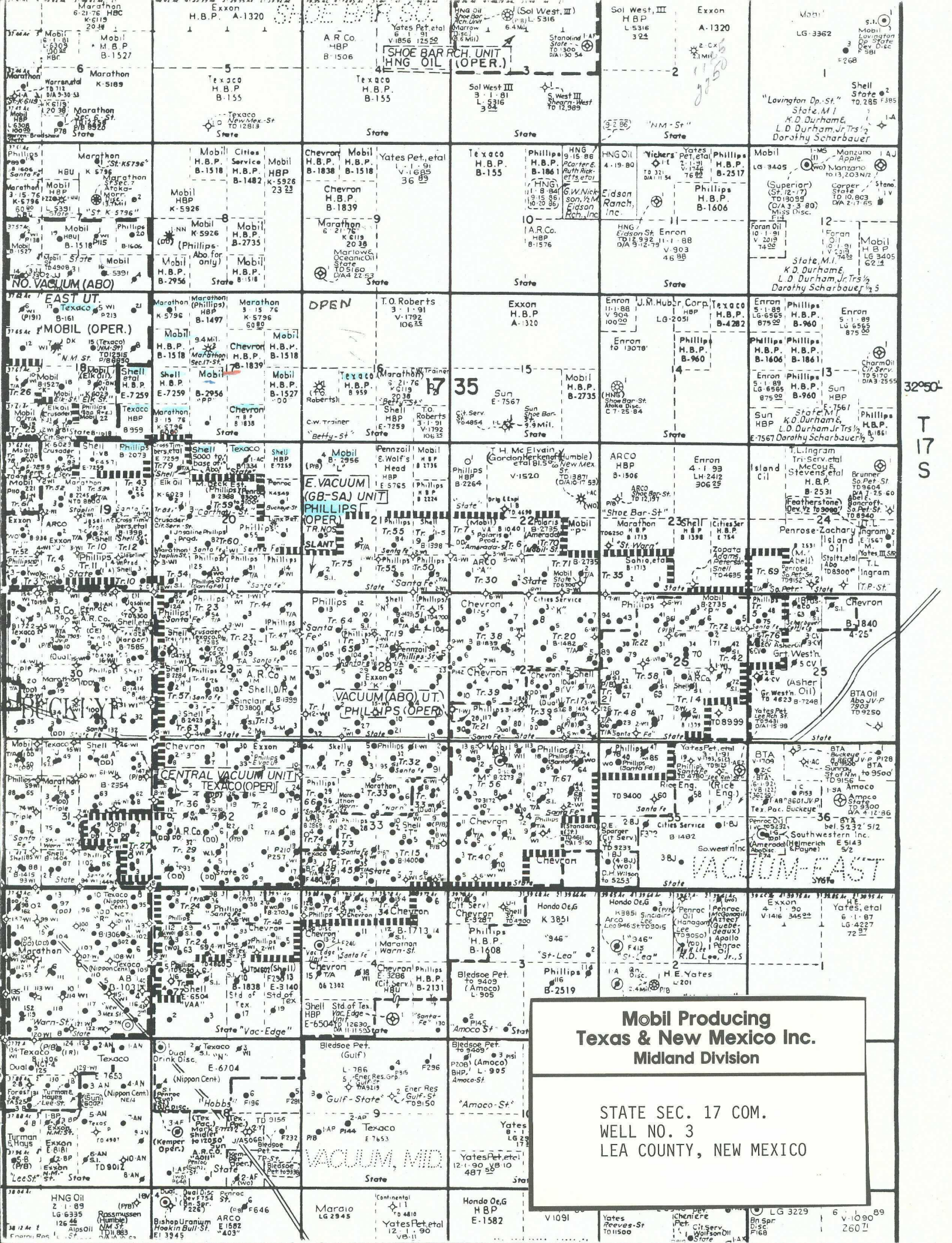
AF 2282A



==== EXISTING CALICHE ROAD
 ===== PROPOSED CALICHE ROAD

**Mobil Producing
 Texas & New Mexico Inc.**

PROPOSED ROAD ROUTE	
STATE SEC. 17 COM Location #3	
SECTION 17 T-17-S R-35-E	
LEA COUNTY, NEW MEXICO	
DRAWN GEW	SCALE 1"=1000' FB 2472
CHECKED	DATE 6-16-88
APPROVED	REVISED



MOBIL EXPLORATION & PRODUCING U.S. INC.
UNORTHODOX WELL LOCATIONS
STATE SECTION 17 COM.
WELL NO. 3
LEA COUNTY, NEW MEXICO

OFFSET OPERATORS

Marathon Oil Company
Attn: S.C. Schraub
P.O. Box 552
Midland, Tx. 79702-0552

Phillips Petroleum Company
Attn: Larry Sanders
4001 Penbrook
Odessa, Tx. 79762

Shell Western Expl. & Prod., Inc.
Attn: Environmental & Regulatory
P.O. Box 576
Houston, Tx. 77001

C.W. Trainer
P.O. Box 755
Hobbs, NM 88240

Chevron USA, Inc.
Attn: Environmental & Regulatory
P.O. Box 1150
Midland, Tx. 79702

Texaco, Inc.
Attn: Alan R. McDaniel
P.O. Box 3109
Midland, Tx. 79702

Mobil Exploration & Producing U.S. Inc.

January 17, 1989

P.O. BOX 633
MIDLAND, TEXAS 79702

MIDLAND DIVISION

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Marathon Oil Company
P.O. Box 552
Midland, Texas 79702-0552

Attn: S. C. Schraub

NOTICE OF APPLICATION FOR
UNORTHODOX WELL LOCATION
STATE SECTION 17 COM.
WELL NO. 3
UNDESIGNATED - ATOKA GAS
LEA COUNTY, NEW MEXICO

Gentlemen:

Mobil Exploration & Producing U.S. Inc. (MEPUS), as Agent for Mobil Producing Texas & New Mexico Inc., is requesting authority to drill State Section 17 Com. #3 on an unorthodox location, under the provisions of Rule 104 (F). Attached to this letter is a copy of the application to drill and corresponding plats, showing the exact location of the subject well.

If you have no objection to this application, please sign the attached waiver and mail three copies to MEPUS. An addressed, stamped envelope is enclosed for your convenience.

Please call J.W. Dixon at (915) 688-2452 if any further information is needed.

Yours very truly,



M. E. Sweeney
Environmental & Regulatory Manager

Mobil Exploration & Producing U.S. Inc.
as Agent for
Mobil Producing Texas & New Mexico Inc.

JWD/arr

attachments

cc: Oil Conservation Division - Hobbs

A:M901787A.JWD

W A I V E R

Mobil Exploration & Producing U.S. Inc.
P.O. Box 633
Midland, Texas 79702

Attn: J. W. Dixon

**UNORTHODOX WELL LOCATIONS
STATE SECTION 17 COM.
WELL NO. 3
UNDESIGNATED - ATOKA GAS
LEA COUNTY, NEW MEXICO**

Gentlemen:

We, the undersigned, have been furnished a copy of Mobil Exploration & Producing U.S. Inc., as Agent for Mobil Producing Texas & New Mexico Inc.'s application to drill the subject well on an unorthodox location under the provisions of Rule 104 (F). Please be informed that we, as an offset operator, have no objection to the drilling of this well as set forth in MEPUS's application dated January 13, 1989.

Yours truly,

Company: _____
Representative: _____
Signature: _____
Title: _____
Date: _____

Mobil Exploration & Producing U.S. Inc.

January 17, 1989

P.O. BOX 633
MIDLAND, TEXAS 79702

MIDLAND DIVISION

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Shell Western Expl. & Prod., Inc.
P.O. Box 576
Houston, Texas 77001

Attn: Environmental & Regulatory

NOTICE OF APPLICATION FOR
UNORTHODOX WELL LOCATION
STATE SECTION 17 COM.
WELL NO. 3
UNDESIGNATED - ATOKA GAS
LEA COUNTY, NEW MEXICO

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Yours very truly,



M. E. Sweeney
Environmental & Regulatory Manager

Mobil Exploration & Producing U.S. Inc.
as Agent for
Mobil Producing Texas & New Mexico Inc.

JWD/arr

attachments

cc: Oil Conservation Division - Hobbs

A:M901787A.JWD

W A I V E R

Mobil Exploration & Producing U.S. Inc.
P.O. Box 633
Midland, Texas 79702

Attn: J. W. Dixon

UNORTHODOX WELL LOCATIONS
STATE SECTION 17 COM.
WELL NO. 3
UNDESIGNATED - ATOKA GAS
LEA COUNTY, NEW MEXICO

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Yours truly,

Company: _____
Representative: _____
Signature: _____
Title: _____
Date: _____

Mobil Exploration & Producing U.S. Inc.

January 17, 1989

P.O. BOX 633
MIDLAND, TEXAS 79702

MIDLAND DIVISION

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Chevron USA, Inc.
P.O. Box 1150
Midland, Texas 79702

Attn: Environmental & Regulatory

NOTICE OF APPLICATION FOR
UNORTHODOX WELL LOCATION
STATE SECTION 17 COM.
WELL NO. 3
UNDESIGNATED - ATOKA GAS
LEA COUNTY, NEW MEXICO

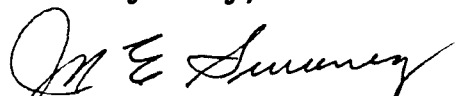
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M. E. Sweeney
Environmental & Regulatory Manager

Mobil Exploration & Producing U.S. Inc.
as Agent for
Mobil Producing Texas & New Mexico Inc.

JWD/arr

attachments

cc: Oil Conservation Division - Hobbs

A:M901787A.JWD

W A I V E R

Mobil Exploration & Producing U.S. Inc.
P.O. Box 633
Midland, Texas 79702

Attn: J. W. Dixon

UNORTHODOX WELL LOCATIONS
STATE SECTION 17 COM.
WELL NO. 3
UNDESIGNATED - ATOKA GAS
LEA COUNTY, NEW MEXICO

Gentlemen:

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Yours truly,

Company: _____
Representative: _____
Signature: _____
Title: _____
Date: _____

Mobil Exploration & Producing U.S. Inc.

January 17, 1989

P.O. BOX 633
MIDLAND, TEXAS 79702

MIDLAND DIVISION

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

Attn: Larry Sanders

NOTICE OF APPLICATION FOR
UNORTHODOX WELL LOCATION
STATE SECTION 17 COM.
WELL NO. 3
UNDESIGNATED - ATOKA GAS
LEA COUNTY, NEW MEXICO

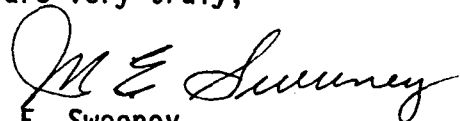
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Yours very truly,



M. E. Sweeney
Environmental & Regulatory Manager

Mobil Exploration & Producing U.S. Inc.
as Agent for
Mobil Producing Texas & New Mexico Inc.

JWD/arr

attachments

cc: Oil Conservation Division - Hobbs

A:M901787A.JWD

W A I V E R

Mobil Exploration & Producing U.S. Inc.
P.O. Box 633
Midland, Texas 79702

Attn: J. W. Dixon

UNORTHODOX WELL LOCATIONS
STATE SECTION 17 COM.
WELL NO. 3
UNDESIGNATED - ATOKA GAS
LEA COUNTY, NEW MEXICO

Gentlemen:

We, the undersigned, have been furnished a copy of Mobil Exploration & Producing U.S. Inc., as Agent for Mobil Producing Texas & New Mexico Inc.'s application to drill the subject well on an unorthodox location under the provisions of Rule 104 (F). Please be informed that we, as an offset operator, have no objection to the drilling of this well as set forth in MEPUS's application dated January 13, 1989.

Yours truly,

Company: _____
Representative: _____
Signature: _____
Title: _____
Date: _____

Mobil Exploration & Producing U.S. Inc.

January 17, 1989

P.O. BOX 633
MIDLAND, TEXAS 79702

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

MIDLAND DIVISION

C. W. Trainer
P.O. Box 755
Hobbs, NM 88240

NOTICE OF APPLICATION FOR
UNORTHODOX WELL LOCATION
STATE SECTION 17 COM.
WELL NO. 3
UNDESIGNATED - ATOKA GAS
LEA COUNTY, NEW MEXICO

Gentlemen:

Mobil Exploration & Producing U.S. Inc. (MEPUS), as Agent for Mobil Producing Texas & New Mexico Inc., is requesting authority to drill State Section 17 Com. #3 on an unorthodox location, under the provisions of Rule 104 (F). Attached to this letter is a copy of the application to drill and corresponding plats, showing the exact location of the subject well.

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Yours very truly,



M. E. Sweeney
Environmental & Regulatory Manager

Mobil Exploration & Producing U.S. Inc.
as Agent for
Mobil Producing Texas & New Mexico Inc.

JWD/arr

attachments

cc: Oil Conservation Division - Hobbs

A:M901787A.JWD

W A I V E R

Mobil Exploration & Producing U.S. Inc.
P.O. Box 633
Midland, Texas 79702

Attn: J. W. Dixon

UNORTHODOX WELL LOCATIONS
STATE SECTION 17 COM.
WELL NO. 3
UNDESIGNATED - ATOKA GAS
LEA COUNTY, NEW MEXICO

Gentlemen:

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Yours truly,

Company: _____
Representative: _____
Signature: _____
Title: _____
Date: _____

Mobil Exploration & Producing U.S. Inc.

January 17, 1989

P.O. BOX 633
MIDLAND, TEXAS 79702

MIDLAND DIVISION

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Texaco, Inc.
P.O. Box 3109
Midland, Texas 79702

Attn: Alan R. McDaniel

NOTICE OF APPLICATION FOR
UNORTHODOX WELL LOCATION
STATE SECTION 17 COM.
WELL NO. 3
UNDESIGNATED - ATOKA GAS
LEA COUNTY, NEW MEXICO

Gentlemen:

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Yours very truly,



M. E. Sweeney
Environmental & Regulatory Manager

Mobil Exploration & Producing U.S. Inc.
as Agent for
Mobil Producing Texas & New Mexico Inc.

JWD/arr

attachments

cc: Oil Conservation Division - Hobbs

A:M901787A.JWD

W A I V E R

Mobil Exploration & Producing U.S. Inc.
P.O. Box 633
Midland, Texas 79702

Attn: J. W. Dixon

UNORTHODOX WELL LOCATIONS
STATE SECTION 17 COM.
WELL NO. 3
UNDESIGNATED - ATOKA GAS
LEA COUNTY, NEW MEXICO

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Yours truly,

Company: _____
Representative: _____
Signature: _____
Title: _____
Date: _____

W A I V E R



Mobil Exploration & Producing U.S. Inc.
P.O. Box 633
Midland, Texas 79702

Attn: J. W. Dixon

UNORTHODOX WELL LOCATIONS
STATE SECTION 17 COM.
WELL NO. 3
UNDESIGNATED - ATOKA GAS
LEA COUNTY, NEW MEXICO

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Yours truly,

Company: Chevron U.S.A. Inc.
Representative: Alan W. Bohling
Signature: Alan W. Bohling
Title: Division Production Engineer
Date: January 30, 1989

W A I V E R

Mobil Exploration & Producing U.S. Inc.
P.O. Box 633
Midland, Texas 79702

Attn: J. W. Dixon

UNORTHODOX WELL LOCATIONS
STATE SECTION 17 COM.
WELL NO. 3
UNDESIGNATED - ATOKA GAS
LEA COUNTY, NEW MEXICO
2034' FSL & 2064' FWL of
Section 17, T-17-S, R-35-E

Gentlemen:

We, the undersigned, have been furnished a copy of Mobil Exploration & Producing U.S. Inc., as Agent for Mobil Producing Texas & New Mexico Inc.'s application to drill the subject well on an unorthodox location under the provisions of Rule 104 (F). Please be informed that we, as an offset operator, have no objection to the drilling of this well as set forth in MEPUS's application dated January 13, 1989.

Yours truly,

Company: TEXACO INC.
Representative: G. J. Reep
Signature: G. J. Reep / EAB / 30/89
Title: Acting Engineering Manger
Date: January 27, 1989

RECEIVED

JAN 31 1989

ENV & REC

RECEIVED

JAN 31 1989

A:M901787A.JWD

ENV & REC

W A I V E R

Mobil Exploration & Producing U.S. Inc.
P.O. Box 633
Midland, Texas 79702

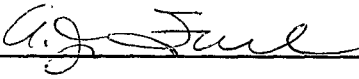
Attn: J. W. Dixon

UNORTHODOX WELL LOCATIONS
STATE SECTION 17 COM.
WELL NO. 3
UNDESIGNATED - ATOKA GAS
LEA COUNTY, NEW MEXICO

Gentlemen:

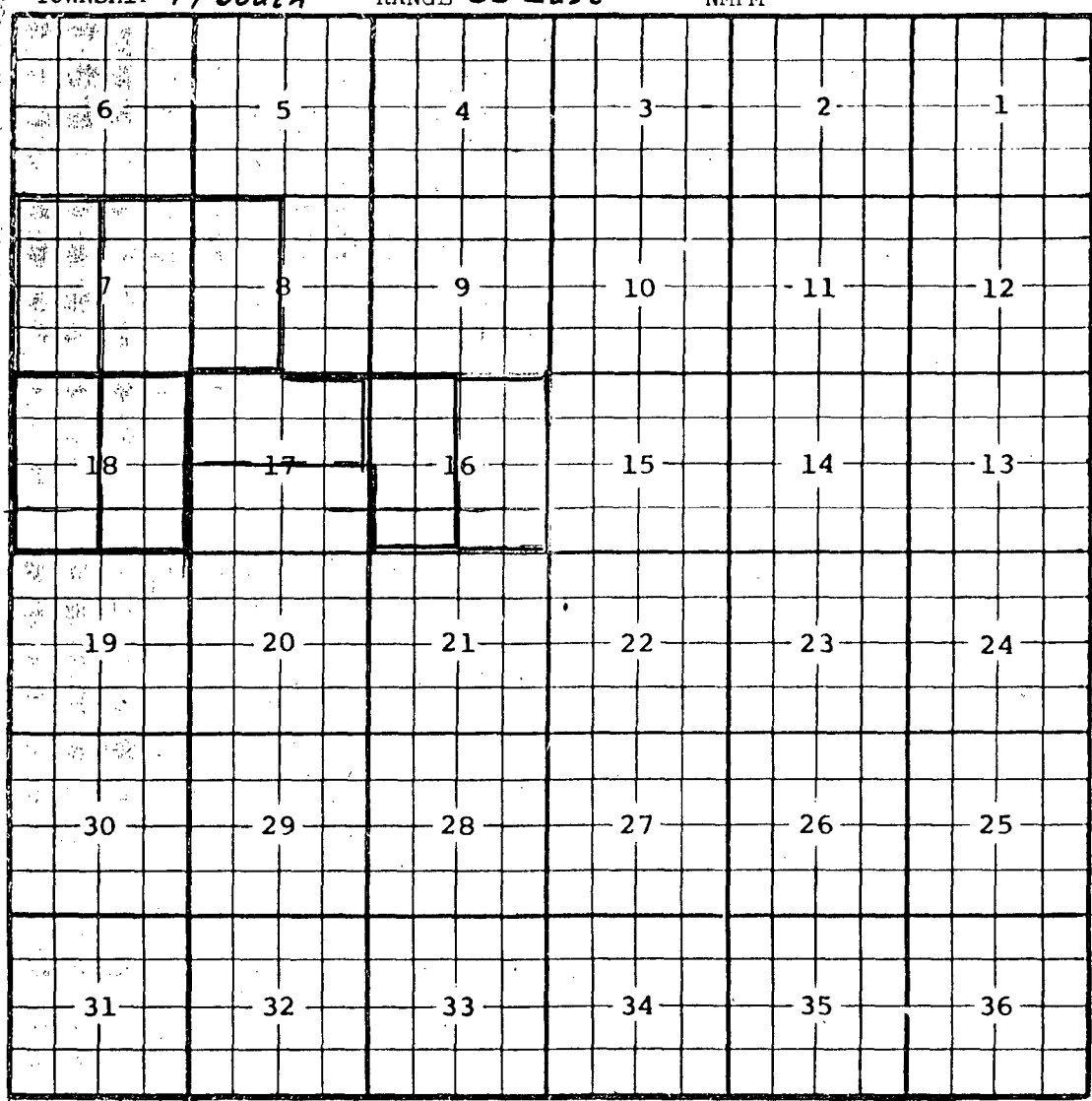
We, the undersigned, have been furnished a copy of Mobil Exploration & Producing U.S. Inc., as Agent for Mobil Producing Texas & New Mexico Inc.'s application to drill the subject well on an unorthodox location under the provisions of Rule 104 (F). Please be informed that we, as an offset operator, have no objection to the drilling of this well as set forth in MEPUS's application dated January 13, 1989.

Yours truly,

Company:	<u>SHELL WESTERN E & P INC.</u>
Representative:	<u>A.J. FORE</u>
Signature:	<u></u>
Title:	<u>SUPV. REGULATORY & PERMITTING</u>
Date:	<u>FEBRUARY 3, 1989</u>

COUNTY Lea POOL North Vacuum - Morrow Gas Atoka - Morrow Gas

TOWNSHIP 17 South RANGE 35 East NMFM



Ext: $\frac{W}{2}$ Sec 18 (R-4351, 8-1-72) - $\frac{E}{2}$ Sec 18 (R-4486, 3-1-73)
Ext: $\frac{W}{2}$ Sec 7 (R-4861, 11-1-74) Ext: $\frac{E}{2}$ Sec 7, $\frac{W}{2}$ Sec 8. Vertical
limits extended to include Atoka Formation and pool
redesignated North Vacuum - Atoka - Morrow Gas (R-5334, 12-1-76)
Ext: $\frac{N}{2}$ Sec 17 (R-8533, 10/28/87) Ext: $\frac{W}{2}$ Sec 16 (R-8667, 6/10/88)
Ext: $\frac{E}{2}$ Sec 16 (R-8856, 1-25-89)



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

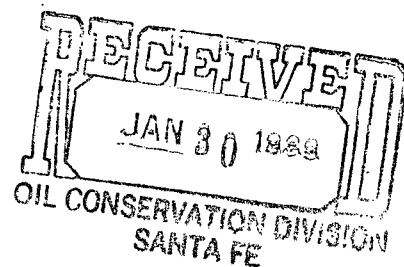
GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____
DHC	_____
NSL	<u>X</u> _____
NSP	_____
SWD	_____
WFX	_____
PMX	_____



Gentlemen:

I have examined the application for the:

Mobil Prod TX & NM Inc. State Sec. 17 Com #3-K
Operator Lease & Well No. Unit S-T-R 17-17-35

and my recommendations are as follows:

OK JS

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed