



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

September 27, 1990

T. H. McElvain Oil & Gas Properties
P.O. Box 2148
Santa Fe, NM 87504-2148

Attention: George Broome

Administrative Order NSL-2875

Dear Mr. Broome:

Reference is made to your application dated September 6, 1990 for a non-standard oil well location for the V-F Petroleum, Inc. Bilbrey Well No. 1 located 330 feet from the South line and 2310 feet from the East line (Unit O) of Section 29, Township 8 South, Range 38 East, NMPM, Undesignated North Sawyer Devonian Pool, Roosevelt County, New Mexico. The S/2 SE/4 of said Section 29 shall be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool.

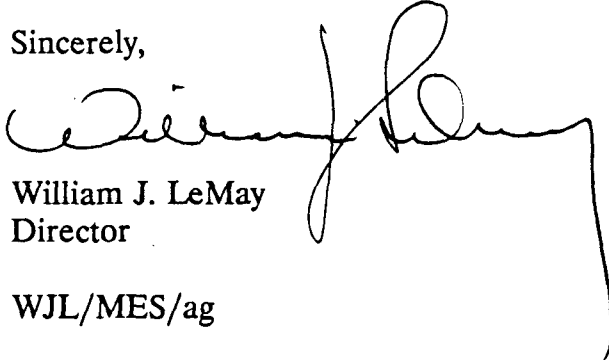
It is our understanding that the subject well was originally drilled to a total depth of 11,445 feet to test the Devonian formation in 1977 by V-F Petroleum, Inc.; however, a proper application for an exception to the well location requirements, pursuant to Rule 4 of the Special Rules and Regulations for the North Sawyer Devonian Pool, as promulgated by Division Order No. R-2861, as amended, was never filed by the operator. Said well having no production from the Devonian zone was subsequently plugged and abandoned by the operator.

It is also our understanding that T.H. McElvain Oil and Gas Properties intends to re-enter said well and attempt to recomplete the Devonian formation at this time.

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The subject application, made pursuant to Rule 5 of said Special Pool Rules, having been received and the required 20-day waiting period having since expired with no objection by offsetting operators, the above-described unorthodox oil well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs