

4-11-1978

216 Booker Building
108 South 4th Street
Artesia, New Mexico 88210
Telephone: 505-746-9141

April 25, 1978

*NSR - 1094
S 1/2 31-185-29E
North Turkey Creek
Morrow Gas
Rule 104 D. 2*

Mr. Joe D. Ramey
Director, Oil Conservation Division
Energy and Minerals Department
State of New Mexico
Santa Fe, New Mexico 87501

Re: Non-Standard Gas Unit
Alscott Federal Well No. 3
Section 31-T18S-R29E
Eddy County, New Mexico

Dear Mr. Ramey:

Hondo Drilling Company (P. O. Drawer 2516, Midland, Texas 79702) seeks administrative approval of a non-standard gas unit for the proposed subject well, on the basis of a variation in the legal subdivision of the U. S. Public Land Surveys, under the following provision of paragraph D.II. of Rule 104 of New Mexico Oil Conservation Commission Rules and Regulations dated January 1, 1976:

"The Secretary-Director of the Commission may grant administrative approval to non-standard gas units without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the U. S. Public Land Surveys . . ."

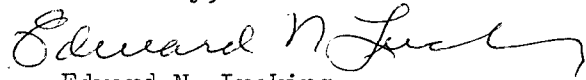
The proposed wellsite is located at 660' FSL and 1980' EEL of Section 31-T18S-R29E, Eddy County, New Mexico, and is projected to the Morrow formation at a depth of 11,500 feet. The lower half of the section will be dedicated to the proposed well. This half-section consists of a total of only 276.4 acres, rather than the standard of 320 acres, as a result of a variation in the legal subdivision of the U. S. Public Land Surveys in this section.

A lease ownership map of Section 31 and the surrounding area is enclosed, showing the variations in the Public Land Survey which necessitate the dedication of less-than-standard acreage to the proposed well.

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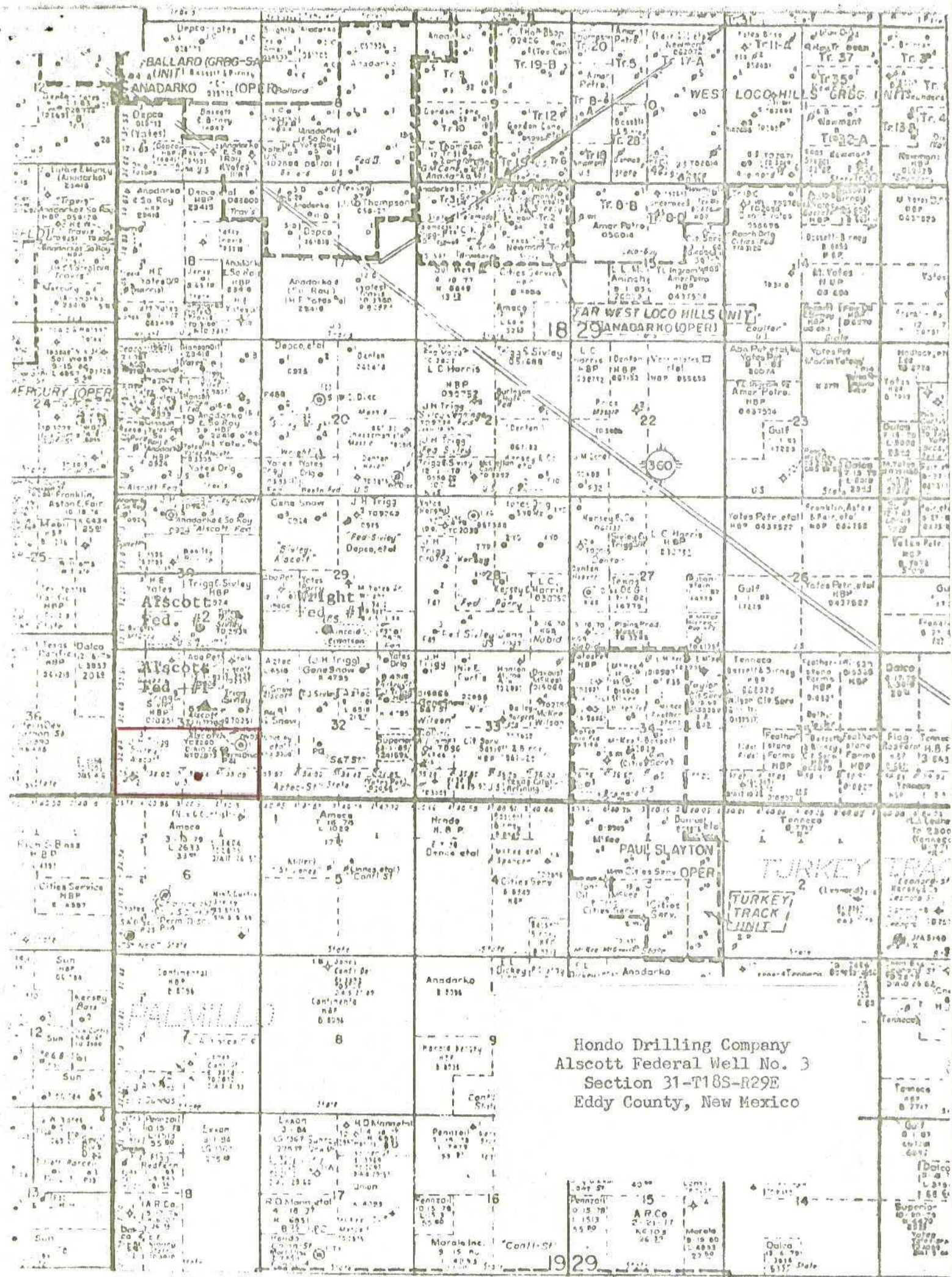
Offset operators are not being notified, inasmuch as the portion of paragraph D.II. of Rule 104, referred to, above, does not require such notification.

Sincerely,

A handwritten signature in cursive script, appearing to read "Edward N. Lucking".

Edward N. Lucking
Agent for Hondo Drilling Company

cc: Mr. Nathan Outlaw
Hondo Drilling Co.



Hondo Drilling Company
Alscott Federal Well No. 3
Section 31-T18S-R29E
Eddy County, New Mexico

NEW MEXICO OIL AND GAS COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

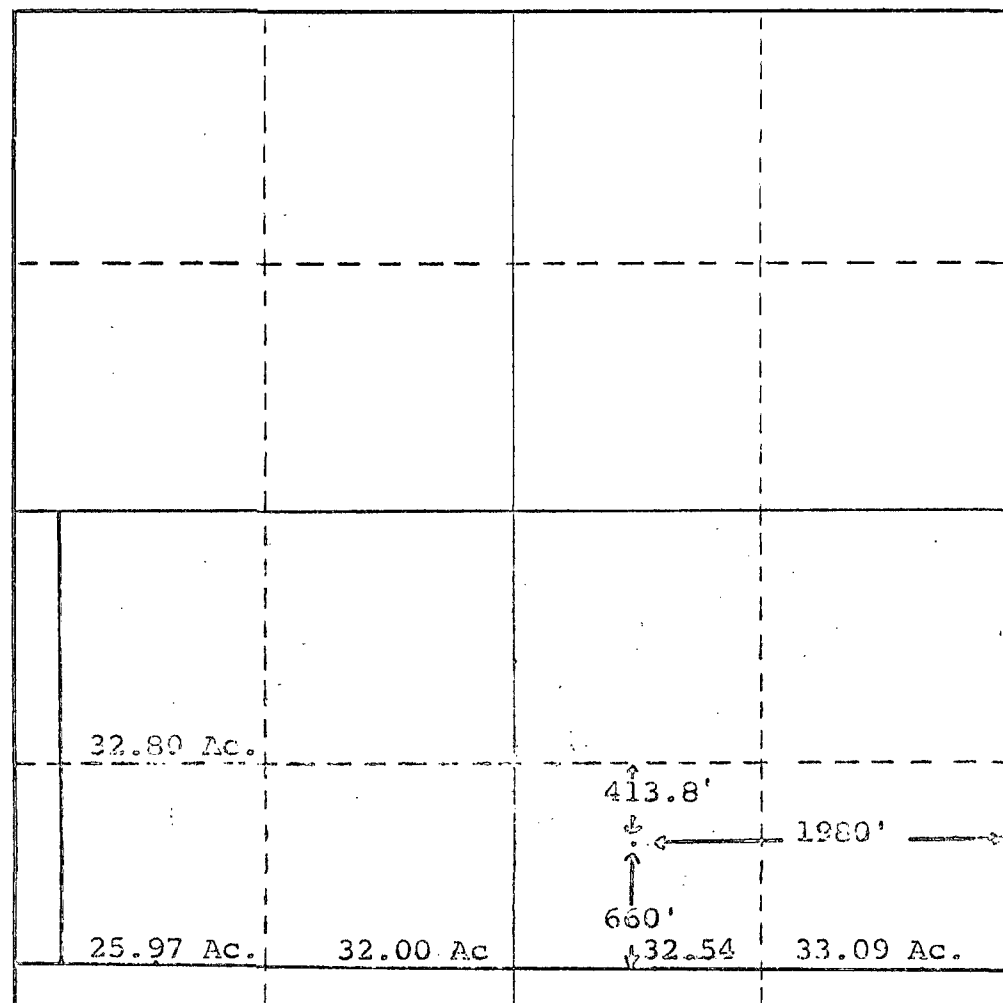
Operator Hondo Drilling Company			Lease Alscott Fed.		Well No. 3
Unit Letter 0	Section 31	Township 18S	Range 29E	County Eddy	
Actual Footage Location of Well: 660 feet from the South line and 1980 feet from the E line NMPM					
Ground Level Elev. 3398'	Producing Formation Morrow		Pool Turkey Track-Morrow		Dedicated Acreage: 276.4 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.

Name
Nathan Outlaw
Position
President
Company
Hondo Drilling Co.
Date
4-21-78

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
4-21-78
Registered Professional Engineer and/or Land Surveyor
N. Raymond Lamb
Certificate No.
929

