

HANSON OPERATING COMPANY, INC

P.O. BOX 1515

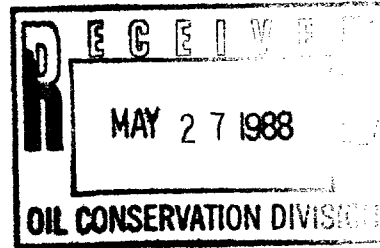
ROSWELL, NEW MEXICO 88202-1515

PHONE AC 505-622-7330

May 27, 1988

Oil Conservation Division
New Mexico State Land Office
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Dave Catanach



RE: MKB Federal #1
SW/4SE/4 Sec. 17-8S-37E
Roosevelt County, New Mexico

Enc 944

Dear Mr. Catanach,

Hanson Operating Company, Inc. desires to drill a Bough C test located on Federal Lease NM-56277 at 1980' FEL and 660' FSL of Section 17, Township 8 South, Range 37 East, NMPM (See attachment "A"). Due to geologic problems, Hanson requests an unorthodox location.

The reason for the request and the geologic interpretation which explains the importance of the unorthodox location are set out in the attached letter (Exhibit "D") from Mr. George Scott, III.

The offset operators have been notified and have agreed to the unorthodox location. Signed letters of approval will be sent to you upon receipt.

Therefore, Hanson request that the Oil Conservation Division approve the unorthodox location at 1980' FEL and 660' FSL, Section 17, Township 8 South, Range 37 East, NMPM.

We would request and appreciate your immediate attention to this important matter. Thank you for your cooperation and assistance.

Sincerely,

Sam L. Shackelford

SLS/ds

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

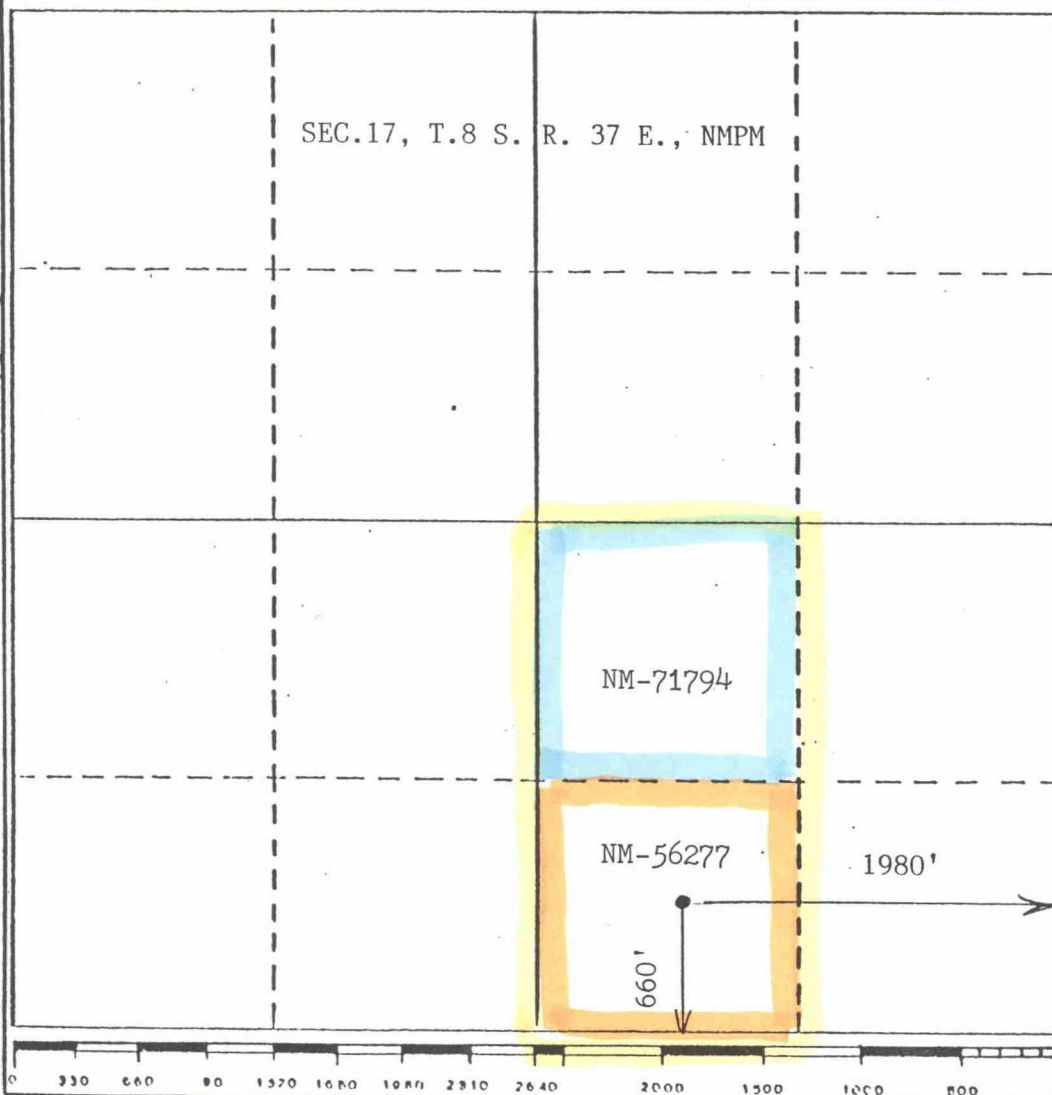
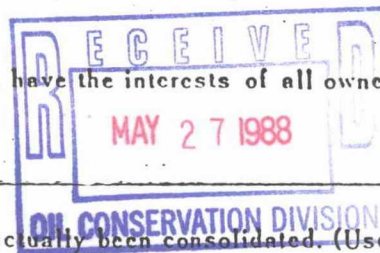
Operator Hanson Operating Company, Inc.			Lease MKB FEDERAL			Well No. #1		
Unit Letter 0	Section 17	Township 8 SOUTH	Range 37 EAST	County ROOSEVELT				
Actual Footage Location of Well: 660 feet from the SOUTH line and 1980 feet from the EAST line								
Ground Level Elev. 4038	Producing Formation Bough C		Pool Allison North			Dedicated Acreage: 80.0 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 Division.



CERTIFICATION

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

David Sweeney

Name

David Sweeney

Position

Drilling & Production Supt.

Company

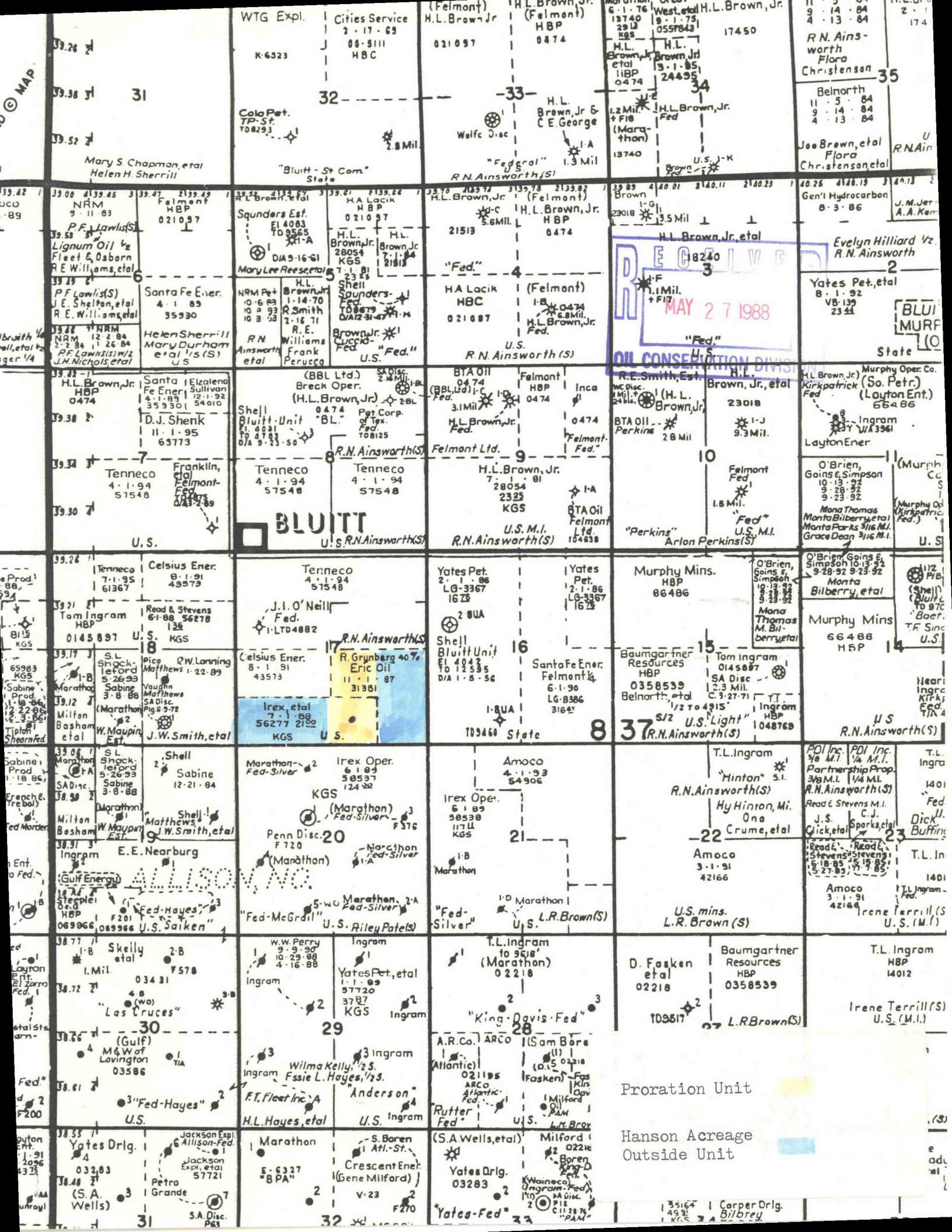
Hanson Operating Co., Inc.

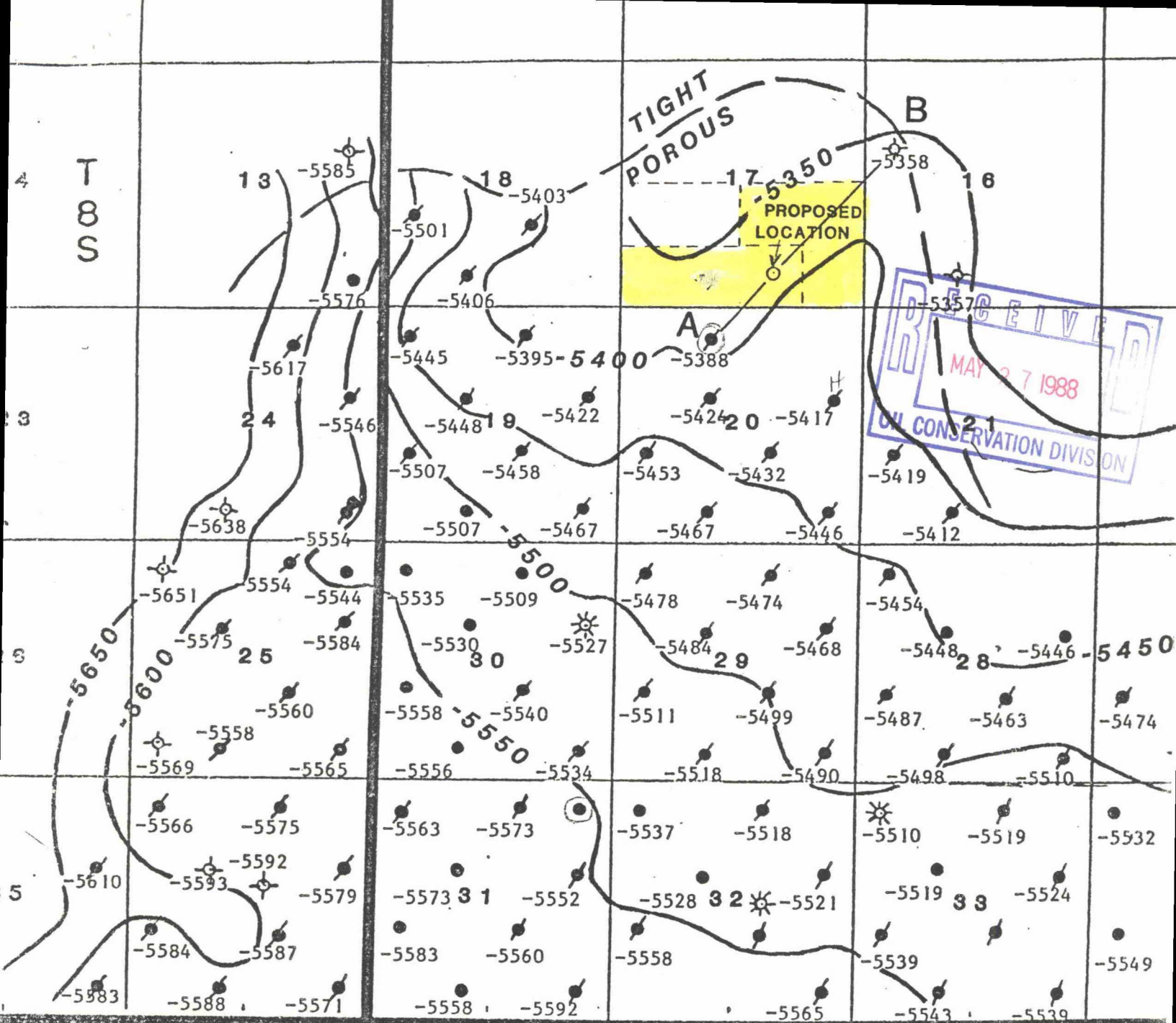
Date

5-12-88

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.

JOHN D. JAQUES
Date Surveyed
APRIL 28, 1988
Registered Professional Engineer
and/or Land Surveyor
John D. Jaques, P.E. & L.S.
Certificate No. 6290





LEGEND

- OVER 500,000 BO
- 200,000 TO 500,000 BO
- 100,000 TO 200,000 BO
- 50,000 TO 100,000 BO

MC ELVANEY KINCHELOE BECKER

ROSWELL, NEW MEXICO

ALLISON FIELD PROSPECT

ROOSEVELT COUNTY, NEW MEXICO

CONTOURED HORIZON TOP BOUGH C

CONTOUR INTERVAL 50'

SCALE 1" equals .68 MILES

GEOLOGIST

R W BECKER

DALTON KINCHELOE

PERMIAN BASIN INVESTMENT CORP.

635 Petroleum Building
Roswell, New Mexico 88201
Tel: (505) 623-3533

May 12, 1988

Hanson Oil Company
ATTN: Ray Willis
P.O. Box 1515
Roswell, N.M. 88201

Case 9414

Dear Ray Willis;

We respectfully propose on the behalf of Hanson Operating Company to drill the #1 MKB Federal well at an unorthodox location in the SW/4 SE/4 of Section 17, Township 8S, Range 37E, in the Allison Field, Roosevelt County, New Mexico. This proposed unorthodox location is geologically preferable based on our subsurface interpretation of "Bough C" reservoir porosity distribution. Porosity development in the producing Pennsylvanian "Bough C" zone is stratigraphically controlled and pinches-out structurally up dip to the north of the producing field wells.

In conclusion, the proposed unorthodox well location is situated for optimum stratigraphic development of reservoir porosity.

Sincerely,



George L. Scott, III

GLSIII/lo

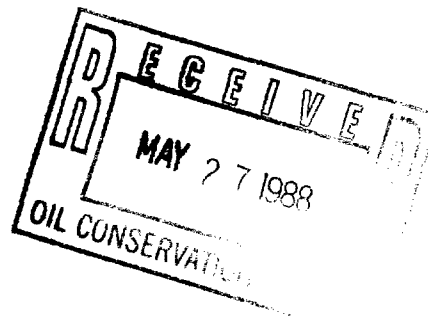
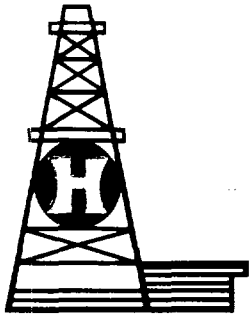


Exhibit "D"



HANSON OPERATING COMPANY, INC.

P.O. BOX 1515

ROSWELL, NEW MEXICO 88202-1515

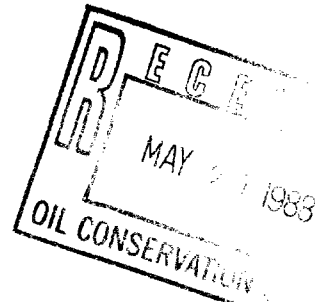
PHONE AC 505-622-7330

May 13, 1988

Petroleum Production Management, Inc.
P. O. Box 11320
Kansas City, Kansas 64112

Attn: Nancy Elgin

Re: MKB Federal #1
660' FSL - 1980' FEL
Section 17, T8S-R37E
Roosevelt County, New Mexico

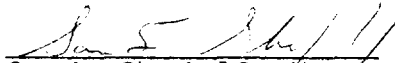


Dear Ms. Elgin,

Pursuant to our telephone conversation of May 10, 1988, I am writing to notify you that Hanson Operating Company, Inc. is filing for an unorthodox location as to the above named and located well. If you have no objection and are agreed to the location, please sign below and return as soon as possible.

Should you have any further questions, please contact me at (505) 623-6036. Thank you for your prompt attention to this important matter.

Sincerely,

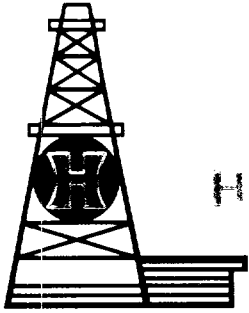

Sam L. Shackelford

SLS/drs

AGREED AND ACCEPTED THIS
18th DAY OF May, 1988, and confirming 'phone conversation
with Sam L. Shackelford, Petroleum Production Management to
receive copies of logs of subject well.
PETROLEUM PRODUCTION MANAGEMENT, INC.

by: 
Larry W. Miller, Vice President

Title



HANSON OPERATING COMPANY, INC.

P.O. BOX 1515

ROSWELL, NEW MEXICO 88202-1515

PHONE AC 505-622-7330

May 29, 1988

Oil Conservation Division
New Mexico State Land Office
P.O. Box 2088
Santa Fe, New Mexico 87501

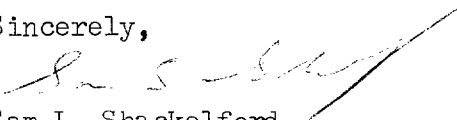
Attention: Mr. Dave Catanach

RE: MKB Federal #1
SW/4SE/4 Sec. 17-8S-37E
Roosevelt County, New Mexico

Dear Mr. Catanach,

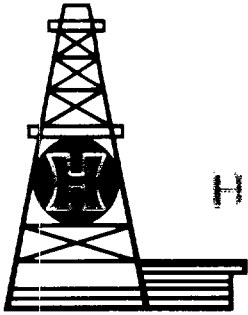
Please find enclosed the original notice to offset operator letter agreement from Tenneco Oil. This should be attached to the forms that were delivered May 27, 1988 pertaining to the captioned well. Thank you.

Sincerely,



Sam L. Shackelford

SLS/ds
Enclosures



HANSON OPERATING COMPANY, INC.

P.O. BOX 1515

ROSWELL, NEW MEXICO 88202-1515

PHONE AC 505-622-7330

May 18, 1988

Tenneco Oil Exploration & Production
7990 I.H. 10 West
San Antonio, Texas 78230

Attn: Rex Bourland

Re: MKB Federal #1
660' FSL - 1980' FEL
Section 17, T8S-R37E
Roosevelt County, New Mexico

Dear Rex,

Pursuant to our telephone conversation of May 18, 1988, I am writing to notify you that Hanson Operating Company, Inc. is filing for an unorthodox location as to the above named and located well. If you have no objection and are agreed to the location, please sign below and return as soon as possible.

Should you have any further questions, please contact me at (505) 623-6036. Thank you for your prompt attention to this important matter.

Sincerely,

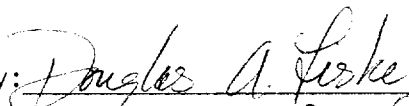


Sam L. Shackelford

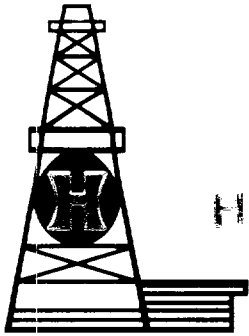
SLS/drs

AGREED AND ACCEPTED THIS
24 DAY OF May, 1988.

TENNECO OIL EXPLORATION & PRODUCTION

by: 

Division Geologist
Title



HANSON OPERATING COMPANY, INC

P.O. BOX 1515

ROSWELL, NEW MEXICO 88202-1515

PHONE AC 505-622-7330

May 13, 1988

Celsius Energy Company
P. O. Box 11070
Salt Lake City, Utah 84147

Attn: Ken Wiley

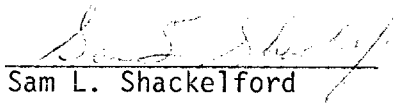
Re: MKB Federal #1
660' FSL - 1980' FEL
Section 17, T8S-R37E
Roosevelt County, New Mexico

Dear Mr. Wiley,

Pursuant to our telephone conversation of May 13, 1988, I am writing to notify you that Hanson Operating Company, Inc. is filing for an unorthodox location as to the above named and located well. If you have no objection and are agreed to the location, please sign below and return as soon as possible.

Should you have any further questions, please contact me at (505) 623-6036. Thank you for your prompt attention to this important matter.

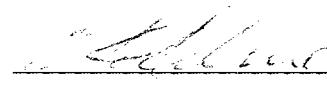
Sincerely,


Sam L. Shackelford

SLS/drs

AGREED AND ACCEPTED THIS
20th DAY OF May, 1988.

CELSIUS ENERGY COMPANY

by: 

Vice President, Exploration
Title

RECEIVED
MAY 17 1988

CELSIUS ENERGY COMPANY
LANDS & LEASING