



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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GOVERNOR

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February 15, 1980

Mr. Etheldred T. Ross
P. O. Box 476
Panhandle, Texas 79068

Dear Mr. Ross:

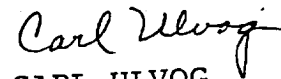
In accordance with your telephone request of February 12, 1980, I am returning the applications and forms which you dated 2/9/80 and which arrived here yesterday.

Permit me to comment on the enclosed Form C-101, C-102 and C-103 for the well in Unit E of Section 12, Township 19 North, Range 30 East, NMPM, which you have named the No. 1 Hayoz. The original No. 1 Hayoz is located in the east adjoining quarter/quarter section (Unit F) as you know - and as also indicated by the C-102 mentioned above. That well was spudded on or about October 16, 1979, although no report of such has been received in this office. Apparently it is your intention to drill in the southwest of the northwest (Unit E) instead of the original location. This will be acceptable, but calling this well the No. 1 Hayoz will not. For all intents and purposes the No. 1 Hayoz in Section 12 is located in Unit F. (The Oil Conservation Division is convinced that it is impossible to pick up a hole and move it one-fourth mile). Kindly do something about the original No. 1 Hayoz - plug it, abandon without drilling, request cancellation of the permit, or something; so that we may close the file. Then give your new location (Unit E) a new name - in this case I would suggest No. 2 Hayoz, unless you wish to reserve that designation for the location in Section 14. Ordinarily, adding a letter to the well number conveys a special condition; for example No. 1Y is used for a "skid" location or "twin" well when the initial hole is lost, No. 1A is used for infill wells when a second well is approved for a proration unit.

Obviously, you do not have a permit for a well where the drilling equipment is now located, presumably in Unit E of Section 12. For this reason your C-103 relative to that location is herewith returned, unapproved. Please make the necessary changes in filing to resolve the problems here discussed so that

your drilling operation will be legal and our files can be straightened out. As I explained, the application for the well in Section 14 cannot be approved without a hearing.

Yours truly,



CARL ULVOG
District IV Supervisor

CU/og