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SHENANDOAH OIL CORPORATION

November 19, 1975

United States Geological Survey Conservation Division Southern Rocky Mountain Area c/o Geological Survey Office Post Office Drawer U Artesia, New Mexico - 88210

HARTESTOLOR TO THE

Re: SOC Application for Permit to Drill Well in Unite "O", Section 20-18S-31E, Eddy County, New Mexico

Gentlemen:

In regard to the "Development for Surface Use" to be attached to Application for Permit to Drill, the requirements in your notice to all lessees and operators of Federal Leases will be answered in this letter in the same order -- No. 1 through No. 12.

No. 1 - Existing roads and exits from main hiways will be shown on Exhibit No. 1. One locatable reference point on Exhibit No. 1 is a pumping well on the east side of Hiway No. 31, southeast of proposed location. The number of this well is Shugart "A" (APCO) No. 1. The location of this well is Unit "A", 660' FNL and 660' FEL, Section 29-18S-31E.

No. 2 - Planned access road to proposed location is shown on Exhibit No. 1 and will be approximately 12' wide and 600-700' long. Road will be surfaced, watered and graded.

No. 3 - Locations of existing producing and plugged wells are shown on Exhibit No. 1.

No. 1. No. 1. No. 1. No. 1.

No. 5 - Locations of existing tank batteries and flow lines are shown on Exhibit No. 2. The proposed flow line from the proposed location will be tied into an existing battery that was used on this same lease until November 12, 1975, when the producing well on this lease had to be plugged and abandoned because of parted casing. This proposed flow line will be laid beside the proposed access road for approximately 660' and beside an existing road for approximately 300' - 400'. The length of the proposed flow line would be approximately 1,000' - 1,100'.