The regular location was staked 660' FNL and 1980' FWL of Section 14-20S-28E. This location fell only 27' south of an east-west electric line and would be impossible to drill without getting the line moved. For this reason, an alternate well site was staked 150' south of the regular location, the new footage being 810' FNL and 1980' FWL of Section 14-20S-28E. A drilling rig will fit nicely in this additional space without interfering with the electric line, and your approval of this alternate location is requested. The location falls in level arid pasture land that is covered with small shinnery bushes.

Government "T" No. 1 is located 3000' west of a shallow Yates water-flood operated by Barber Oil Company and is one-half mile due north of Cities Service Oil Company's Government "R" No. 1 currently completing in the Morrow zone.

The nearest inhabited residence is 4000' SSE of our location. Mr. A. H. Rains lives in this residence.

Our location is on a Federal grazing lease to Mr. J. D. Spears, Box 1017, Carlsbad, New Mexico 88220. He has been notified of our intent to drill and we are currently negotiating a damage settlement with him for our proposed drilling location and access road.

The well is scheduled to test the Morrow at approximately 10,900' with shallower zones tested as the well is drilled.

If completed as a producer, producing equipment will be set no closer than 150' from the well with tanks being set to collect both oil and water which will be trucked to sale or disposal. The gas purchaser will install necessary gas measuring equipment and gathering pipeline.

The reserve pit will be lined when it is built. If the well is completed as a producer, the pits will be backfilled, levelled, debris removed and surface equipment fenced. If it is a dry hole, the well will be plugged as per United States Geological Survey requirements, the pits backfilled and levelled and all debris removed.

The proposed casing program consists of:

13-3/8" 48# set at 350' w/cement circulated to surface

9-5/8" 36# set at 3290' w/cement circulated to surface

5-1/2" 17 & 20# set at 11,600' with sufficient cement to fill annular space to 9000'