

AMERICAN QUASAR PETROLEUM CO.

606 VAUGHN BUILDING / MIDLAND / TEXAS 79701 U.S.A. / TELEPHONE (915) 682-3737

TORONTO STOCK EXCHANGE SYMBOL AQPT

NASDAQ SYMBOL AQAS

December 23, 1975

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Oil Conservation Commission
State of New Mexico
P. O. Drawer DD
Artesia, New Mexico 88210

O. C. C.
ARTESIA, OFFICE

Attention: Mr. W. A. Gressett

Re: Robinia Draw Unit #1-K, 7-23-24,
Eddy County, New Mexico

Gentlemen:

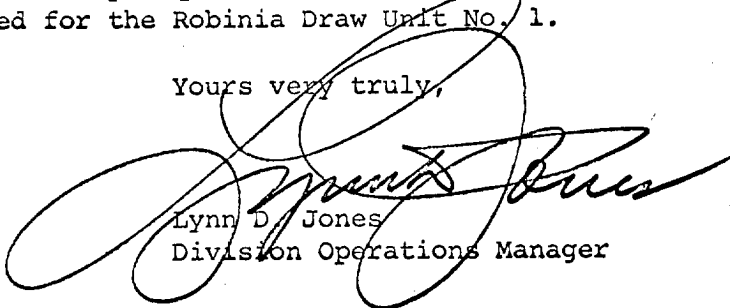
American Quasar Petroleum Co. has no objection to designating the Robinia Draw Unit No. 1 as an extension to the Bandana Point Penn Gas Pool, which was created by Order R-1559 in December 1959. However, this constitutes a formal request for an exception to Rule 104 for 320-acre spacing. This is consistent with the Conservation Commission's standard spacing for Pennsylvanian age gas wells in the State of New Mexico.

The Rock Tank Field is located approximately 5 miles east of the Robinia Draw Unit Well No. 1 and is spaced on 640 acres. There are upper and lower Morrow completions in the Rock Tank Field.

The attached letter and accompanying support data dated February 24, 1975 were submitted through the U. S. Geological Survey as a formal request for an unorthodox location. Rough terrain dictated our decision for this unorthodox location. After receiving Bureau of Land Management and U. S. Geological Survey approvals, we proceeded to drill the well under the assumption that all approvals had been obtained and that the U. S. G. S. had forwarded the Oil Conservation Commission copy of our unorthodox location request; apparently, this was not so, and we mistakenly drilled the unorthodox location. The attached photos attempt to show the size of boulders it was necessary to remove at the unorthodox location. In all probability a regular location would have necessitated the removal of many more such boulders.

Our current delay in initiating sales from the subject well is due to the Bureau of Land Management. It is anticipated that we will have their pipeline ROW approval sometime in January, 1976. We respectfully request that the unorthodox location and the 320-acre spacing unit be approved for the Robinia Draw Unit No. 1.

Yours very truly,


Lynn D. Jones
Division Operations Manager

LDJ/st
Enclosures