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April 30, 1984

Mr. Richard L. Stamets
Technical Support Chief
Oil Conservation Division
State of New Mexico
P. O. Box 2088
Santa Fe, NM 87501

RE: NM 106-22-5
Burkham Fed Com #1
Geologic Exhibits

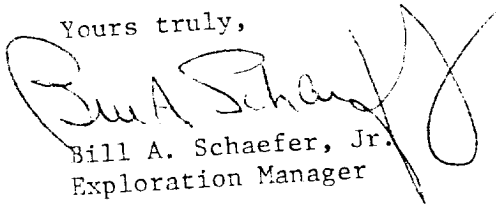
Dear Mr. Stamets:

Santa Fe Energy, Exploration Department, is proposing an unorthodox location (990' FWL, 660' FSL) in Section 12-24S-28E, Eddy County, NM. Reasons for this location are as follows:

1. Isopaching of clean Atoka Sands indicates the trend of sand reservoirs trends in a north-south direction. (Map 1)
2. A cumulative gas production map of the Atoka sands indicates best production is oriented in a north-south direction. This information supports the Atoka sand isopach.
3. The Eastland #1 Fortson (1830' FNL, 2140' FWL) Section 12-24S-28E is in an area of poor sand development. Santa Fe Energy's proposed location would be 2700' north of the Coquina #1 Craft and 3100' southeast of the Coquina #1 Vasquez (Map 2).

The location Santa Fe Energy Company has proposed is the most logical one based upon knowledge of sand trends, good reservoir conditions, and production data in extending gas production to the east of Malaga Field.

Yours truly,


Bill A. Schaefer, Jr.
Exploration Manager

ccs

attachment