

Nearburg Producing Company

Exploration and Production
401 E. Illinois, Suite 300
Midland, Texas 79701
915 686-8235

October 26, 1990

HAND DELIVERED

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

RECEIVED

OCT 30 '90

Re: Amethyst State Com No. 1
N/2 Proration Unit
Section 32-24S-29E
Eddy County, New Mexico

C. C. D.
ARTESIA, OFFICE

Dear Mr. Stogner:

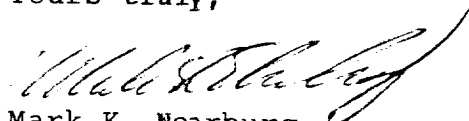
Nearburg Producing Company requests administrative approval of the captioned unorthodox well location 1880' FNL & 990' FWL due to topographic considerations. Waivers have been obtained from all offset owners and are attached to this letter.

We initially staked this well on Federal land 1980' FNL & 1980' FWL, however, that location fell in drainage channels very close to the Pecos River and was objected to by the Bureau of Land Management. The Bureau of Land Management also objected to small hills or "hogbacks" which do not show up on the topographic map which would have required major location construction work. To avoid drainage channels, Nearburg then moved the location 1980' FNL & 1712' FWL which would have been an unorthodox location, however, the amount of dirt work required at this location was still considered too substantial by the Bureau of Land Management and also by Nearburg Producing Company. The captioned location is the only area in the NW/4 of the captioned Section 32 that is flat and is not affected by drainage channels into the Pecos River.

At the initial drillsite, 1980' FNL & 1980' FWL, some archaeological evidence of past activity was found, however, the reason for not being able to drill that location was primarily due to topography.

Your favorable consideration of the this request will be greatly appreciated. If you have any questions, please call me at 915-686-8235.

Yours truly,


Mark K. Nearburg
Vice President

MKN/my