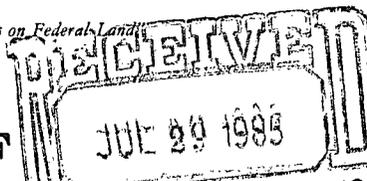


Release August 19, 1985

By DEC

"Specializing in Oil and Gas Operations on Federal Lands"



Engineering
Regulatory
Leasing
Drilling Permits
Oilfield Reports

KNAUF PETROLEUM SERVICES

JAMES A. (JIM) KNAUF
1501 W. Missouri
Artesia, New Mexico 88210
Phone (505) 746-4138
Home (505) 746-4138

July 15, 1985

NSL-2128
RULE-R-2589
RULE-5

80 acre decline
E12 NE14

Mr. R. L. Stamets, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for an Unorthodox Location
in the Scharb - Bone Springs Oil Pool

Dear Mr. Stamets:

POE PROPERTIES, INC., P. O. Box 9769, Fort Worth, Texas 76102 is the operator of Federal Oil & Gas Lease NM-24166 which covers the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 9, T. 19S., R. 35E., Lea County, New Mexico.

Production from applicant's #1 SPRINKLE FEDERAL WELL, located 2063' FNL and 841' FEL of Section 9 and completed on 7-13-83 in the Bone Springs pay zone (9526'-9604'), is producing less than two-thirds of the top allowable for the Scharb - Bone Springs Oil Pool.

Production from applicant's #2 SPRINKLE FEDERAL WELL, located 660' FNL & 330' FEL of Section 9 and completed on 2-6-84 in the Wolfcamp pay zone (10,544'-10,560'), has declined to only 2 - 3 BOPD.

Applicant proposes to abandon the Wolfcamp zone in Well #2 and recomplete the well in the Bone Springs formation (9500'-9650').

The special rules for the Scharb - Bone Springs oil pool make a provision whereby an exception to the footage requirement that a well be located within 200' of the center of either quarter-quarter section may be approved without notice and hearing; provided that, the well was previously drilled to another horizon, and provided that, the well is located no nearer than 330 feet to the outer boundary of the proration unit.

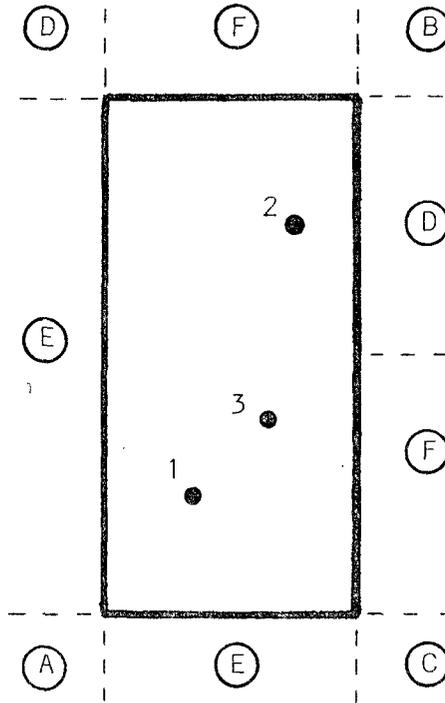
Accordingly, POE PROPERTIES, INC. respectfully request administrative approval of an unorthodox oil well location in the Scharb - Bone Springs oil pool for WELL #2 SPRINKLE FEDERAL located 660' FNL and 330' FEL of Sec. 9-19S-35E.

All operators offsetting the proration unit are being furnished copies of this application by CERTIFIED MAIL. The six offset operators are listed on the bottom of the attached sketch.

Sincerely,

James A. Knauf, Agent
POE PROPERTIES, INC.

POE PROPERTIES, INC.
 SPRINKLE FEDERAL LEASE
 E $\frac{1}{2}$ NE $\frac{1}{4}$ SEC. 9-19S-35E
 LEA COUNTY, NEW MEXICO



<u>Well</u>	<u>Location</u>	<u>Producing Zone</u>
1	2063' FNL & 841' FEL	Bone Springs
2	660' FNL & 330' FEL	Wolfcamp
3	1650' FNL & 460' FEL	Wolfcamp

OFFSET OIL & GAS OPERATORS

- A. Amoco Production Company, P. O. Box 68, Hobbs, New Mexico 88240
- B. Forest Oil Corporation, P. O. Box 1916, Midland, Texas 79702
- C. Getty Oil Company/Texaco, Inc., P. O. Box 3109, Midland, Texas 79702
- D. Mesa Petroleum Company, Vaughn Building - Suite 1000, Midland, Texas 79701
- E. Superior Oil Company/Mobil Oil Company, P. O. Box 633, Midland, Texas 79702
- F. Western Oil Producers, Inc., P. O. Box 1498, Roswell, New Mexico 88201