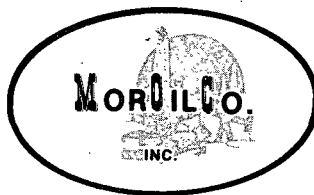


Release 4-11-86

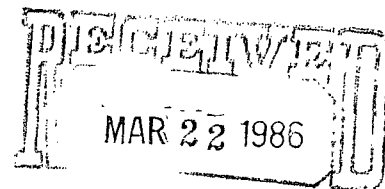
B4 DEC

PHONE (505) 748-2194
PHONE (505) 748-2325



DRAWER I
ARTESIA, NEW MEXICO 88210

March 17, 1986



Director
Oil Conservation Division
New Mexico Energy & Minerals Department
P.O. Box 2088
Santa Fe, NM 87501

ATTENTION: Mike Stockner

RECEIVED
MAR 22 1986
OIL CONSERVATION DIVISION
SANTA FE
NSC-2260
RULE-104 F(I)
N. San Miguel Seven Rivers Gas Pool
160 Acres, NE 1/4 Section 33.

Re: Application for Administration
Approval of Unorthodox
Gas Well Location

Gentlemen,

MorOilCo, Inc., Drawer I, Artesia, New Mexico, 88210, hereby respectfully requests administrative approval of an unorthodox gas well location. Reasons for this request are as follows:

- 1) The initial location: 660' FNL 1650' FEL was moved because of a Phillips Petroleum pipeline which would have passed under the location.
- 2) The Stivason Federal #3 was originally drilled for oil on an orthodox oil well location with the lower Seven Rivers and Queen as the pay objective.

MorOilCo, Inc., tested all possible oil pays with out commercial production. The Stivason Federal #3 was then recompleted in a different horizon. The Stivason Federal #3 is located 330' FNL and 1650' FEL of Section 33 T19S R34E, Lea County. This will place the well in the North San Miguel Seven Rivers gas pool with simultaneous dedication of acreage detailed to the NE 1/4 of Section 33 T19S R34E.

Enclosed please find a copy of the lease map showing off-setting lease operators and a survey platt. All off-setting operators will be notified by certified mail.

Thank you for your help in this matter.

Sincerely,

MOROILCO, INC.

Frank S. Morgan

Frank S. Morgan
Vice President

cc: OCD *Antonia Hobbs*

FSM/rlm

Enclosure

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
 Supersedes C-128
 Effective 1-1-65

All distances must be from the outer boundaries of the Section.

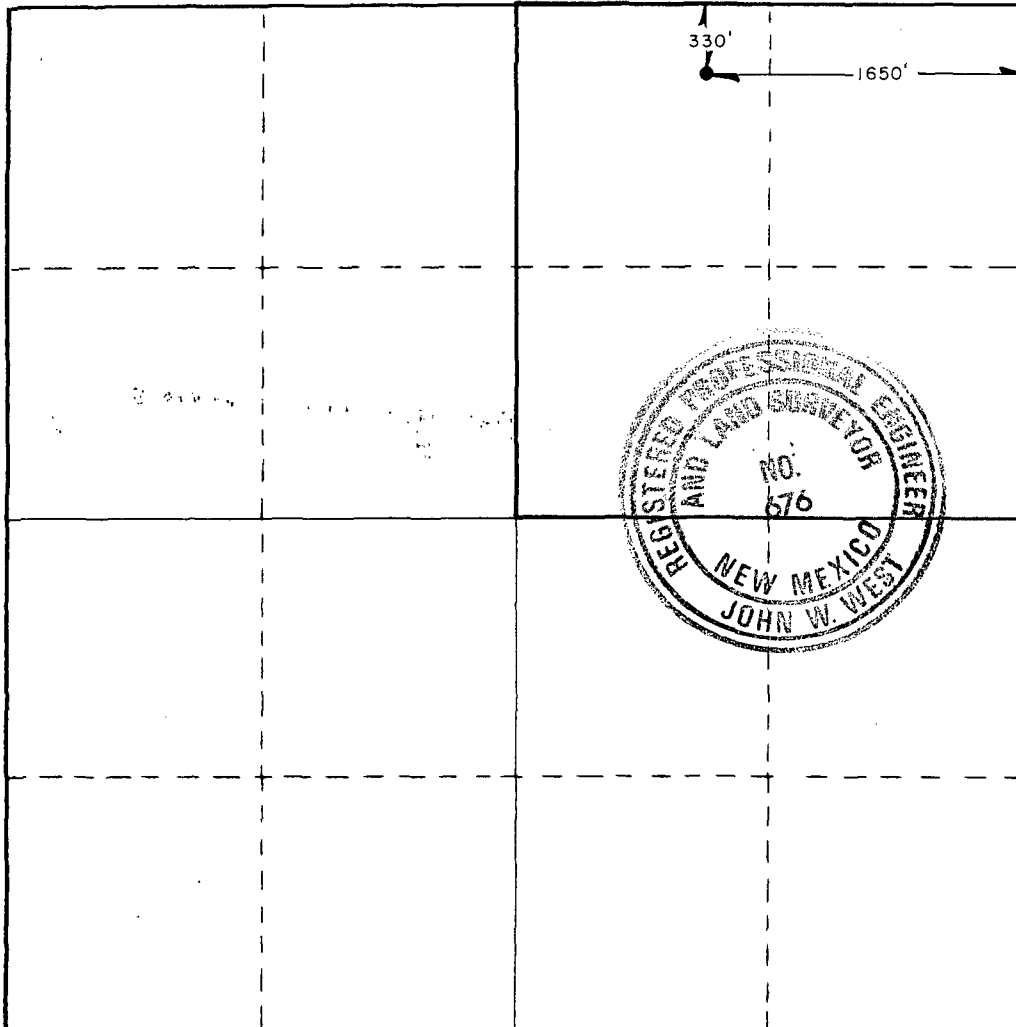
Operator MorOil Co.			Lease STIVASON FEDERAL		Well No. 3
Unit Letter B	Section 33	Township 19 SOUTH	Range 34 EAST	County LEA	
Actual Footage Location of Well: 330 feet from the NORTH line and 1650 feet from the EAST line					
Ground Level Elev. 3691.9'	Producing Formation Seven Rivers		Pool N. San Miguel Seven Rivers Gas		Dedicated Acreage: 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Frank S. Morgan

Name

Frank S. Morgan

Position

Operator

Company

MorOilCo, Inc.

Date

March 17, 1986

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

DECEMBER 5, 1985

Registered Professional Engineer and/or Land Surveyor

Ronald J. Eidson

Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239

