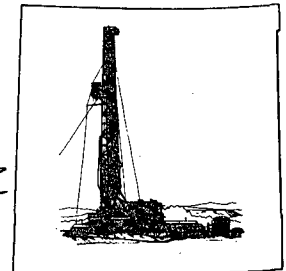
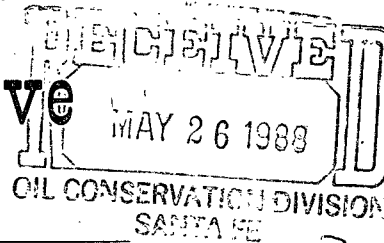


Release Date: June 14, 1988

Energy Administrative Services Co.



Oil and Gas

POST OFFICE BOX 458 • ROSWELL, NEW MEXICO 88201

TELEPHONE (505) 623-4940
May 23, 1988

Mr. David Catanach, U.I.C. Director
New Mexico Energy and Minerals Dept., Oil Conserv. Div.
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Unorthodox Well Location: 522' FSL & 2160' FWL, Sec. 21-T18S-R33E
Corbin State, Well No. 1 for Read & Stevens, Inc.

Dear Mr. Catanach:

Read & Stevens, Inc., P.O. Box 1518 Roswell, NM 88202, is applying for administrative approval of an unorthodox well location for the above captioned well under the provisions of paragraph F of rule 104 of the New Mexico Oil Conservation Commission Rules and Regulations.

Special field rules for the South Corbin Wolfcamp Pool require that the well location be within a 150 foot radius of the center of the 40 acre tract and 80 acre spacing. Because of terrain problems, consisting of three or more oil and gas transmission lines crossing the quarter/quarter near the center, the location was moved two or three times. An oil line that was not visibly marked on the surface was found during construction and the location was moved to clear it. Two other lines, not shown on Exhibit "A", were spotted from the air and were running in a north/south direction through the same area. This location was the best they could find. The location, as staked and applied for, is an orthodox location for a Strawn well, but the well was plugged back and completed in the Wolfcamp, which has the above stated field rules.

Exhibit "A" shows the location to be 76.8 feet outside the 150 foot radius. The location is well within the "standard" 330 foot requirement to the outer boundary of the quarter/quarter section. Three of the pipelines are shown in their approximate location as per the surveying engineer's notes.

A lease ownership map of the area around the completed well is enclosed. Each offset operator is being notified, by certified mail, with three copies of this letter and is asked to indicate waiver of objection, by authorized signature in the space provided, on two copies. The operators are requested to mail one signed copy to Mr. David Catanach, New Mexico Oil Conservation Dept., and one signed copy to George R. Smith, Energy Administrative Services Co., in the stamped, self addressed envelopes enclosed.

Sincerely yours,
ENERGY ADMINISTRATIVE SERVICES CO.

George R. Smith
George R. Smith

encl

on behalf of
Read & Stevens Inc.

NSL-2537
RULE-104 F(2)
South Corbin
Wolfcamp Pool - 80 Acre tract
S/2 SW 1/4
Section 21

Lea County, N.M.

Page 2

Re: Unorthodox Well Location (as per field rules)
Read & Stevens, Inc.
Corbin State, Well No. 1
522' FSL & 2160', Sec. 21-T18S-R33E

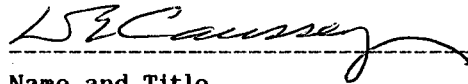
cc: Lease No. V-638 (State Lease)

Meridian Oil Production, Inc.
21 Desta Drive
Midland, TX 79705

Murphy Operating Corp.
P. O. Box 2648
Roswell, NM 88202

Pennzoil Exploration & Production Co.
P. O. Box 1828
Midland, TX 79702

Waiver of Objection:



Name and Title
Donald E. Caussey, Attorney-in-fact

Company Name
PENNZOIL EXPLORATION AND PRODUCTION CO.

Date June 10, 1988

Page 2

Re: Unorthodox Well Location (as per field rules)
Read & Stevens, Inc.
Corbin State, Well No. 1
522' FSL & 2160', Sec. 21-T18S-R33E

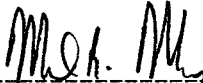
cc: Lease No. V-638 (State Lease)

Meridian Oil Production, Inc.
21 Desta Drive
Midland, TX 79705

Murphy Operating Corp.
P. O. Box 2648
Roswell, NM 88202

Pennzoil Exploration & Production Co.
P. O. Box 1828
Midland, TX 79702

Waiver of Objection:



Name and Title

Mark B. Murphy, President

Murphy Operating Corporation-----

Company Name

May 26, 1988-----

Date

Page 2

Re: Unorthodox Well Location (as per field rules)
Read & Stevens, Inc.
Corbin State, Well No. 1
522' FSL & 2160', Sec. 21-T18S-R33E

cc: Lease No. V-638 (State Lease)

Meridian Oil Production, Inc.
21 Desta Drive
Midland, TX 79705

Murphy Operating Corp.
P. O. Box 2648
Roswell, NM 88202

Pennzoil Exploration & Production Co.
P. O. Box 1828
Midland, TX 79702

Waiver of Objection:

Dennis Sledge, Reg. Land Mgr.
Name and Title

Meridian Oil Inc.
Company Name

6-9-88
Date

SW $\frac{1}{4}$ SECTION 21-T18S-R33E

LEA COUNTY
NEW MEXICO

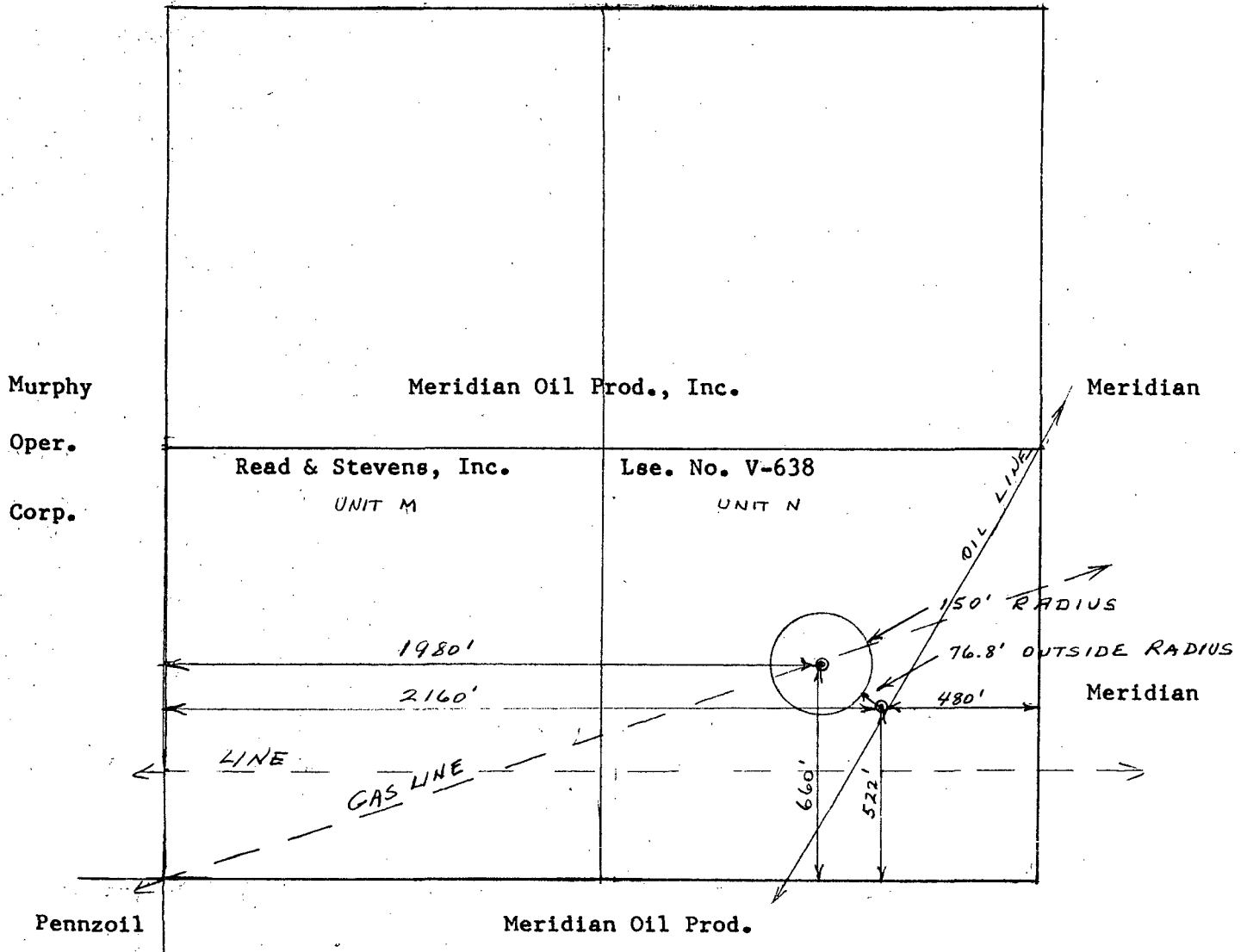


EXHIBIT "A"
READ & STEVENS, INC.
Corbin State, Well No. 1
Unorthodox Location Based On State
Field Rules for the South Corbin
Wolfcamp

Scale: 1" = 500'

