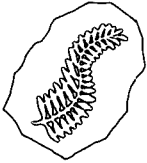


Fossil Fuels Inc.



August 8, 1989

RECEIVED

AUG 11 1989

OIL CONSERVATION DIV.
SANTA FE

New Mexico Oil Conservation Commission
310 Old Santa Fe Trail
Santa Fe, NM 87501

ATTENTION: Mr. Michael Stogner

Gentlemen:

Fossil Fuels Inc. respectfully requests an unorthodox location variance in regards to our Zuni Tribal #1-Y Well, which is located in Section 4, T8N, R18W, Cibola County, New Mexico. The footage location is 1373' from the west line and 2453' from the south line of Section 4.

This location was chosen because of the high density of artifacts and other items of archeological importance in this area. The location has been approved by the archeologists in the Zuni Archeological Program.

This location is a replacement well for the Zuni Tribal #1 Well, which was drilled and abandoned. Attached is a copy of our "lease plat", which notes our lease lines and the location of the #1-Y Zuni Tribal well. One section (#8), which is a diagonal offset to our location is unleased. This section is a part of the Zuni Reservation.

Your assistance in this matter is greatly appreciated.

Sincerely,

Dana Pearce
Production Secretary

Attachments

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

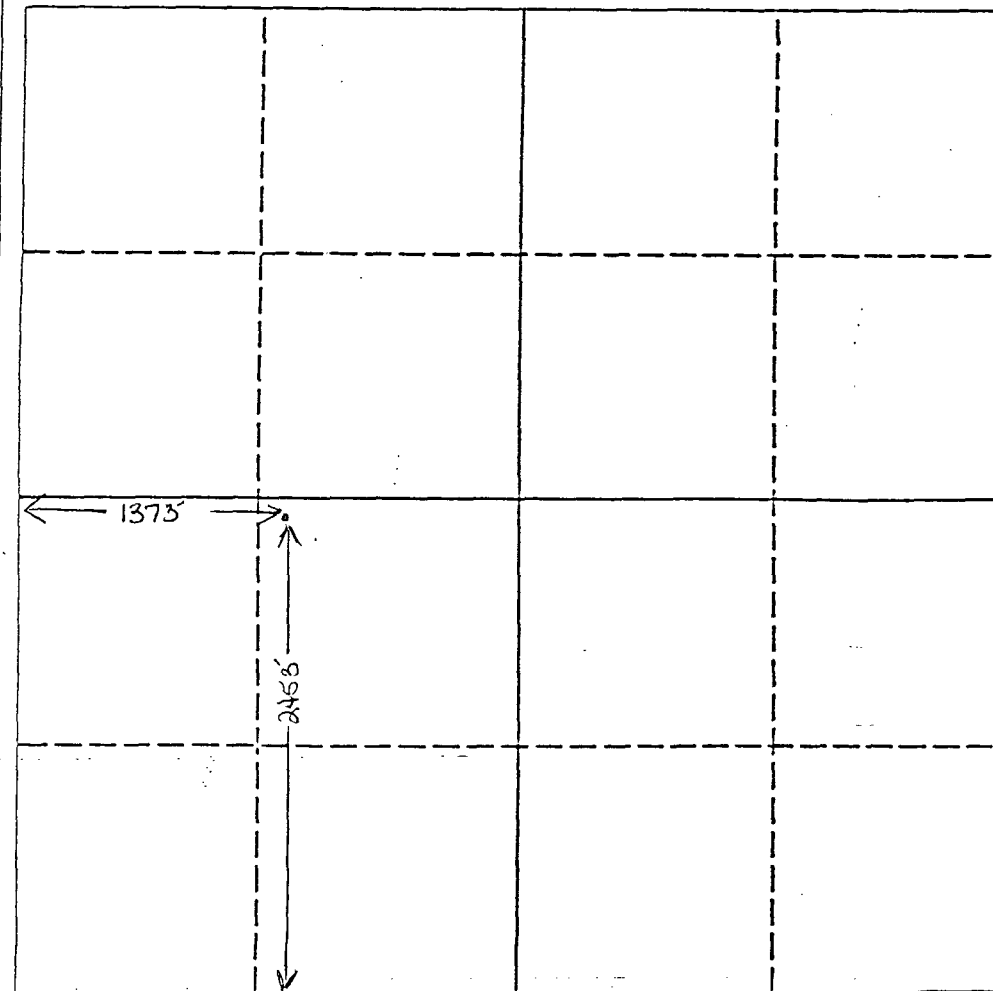
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Fossil Fuels Inc.		Lease Zuni Tribal		Well No. 1-Y
Unit Letter K	Section 4	Township 8N	Range 18W	County Cibola
Actual Footage Location of Well: 1373 feet from the west line and 2453 feet from the south line				
Ground level Elev. 7345'	Producing Formation		Pool Wildcat	Dedicated Acreage: 40 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 interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature _____

Printed Name
Robert Weldon

Position
Engineer

Company
Fossil Fuels Inc.

Date
August 8, 1989

SURVEYOR CERTIFICATION

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 _____

Signature & Seal of
Professional Surveyor

Certificate No. _____



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

June 21, 1989

RECEIVED

JUN 29 1989

Fossil Fuels, Inc.
P.O. Box 479
Dallas, TX 75221-0479

FOSSIL FUELS INC.

Attention: Dana Pearce,
Production Secretary

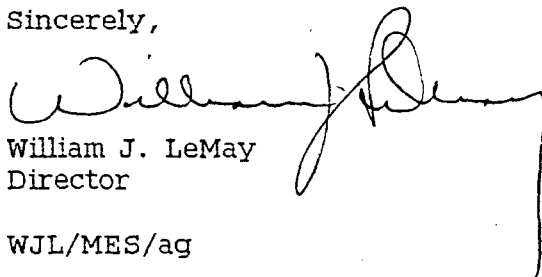
Administrative Order NSL-2666

Dear Ms. Pearce:

Reference is made to your application of June 14, 1989 for a non-standard location for your Zuni Tribal Well No. 1 to be located 2303 feet from the South line and 1373 feet from the West line (Unit K) of Section 4, Township 8 North, Range 18 West, NMPM, Cibola County, New Mexico. Said well to be drilled to a depth of approximately 2500 feet to test the Yeso and San Andres formations. If oil is encountered, the NE/4 SW/4 of said Section 4 is to be dedicated to said well forming a standard statewide 40-acre oil spacing and proration unit; or if gas is encountered, the SW/4 of said Section 4 is to be dedicated to said well forming a standard 160-acre gas spacing and proration unit (pursuant to General Rule 104.B.(II)).

By the authority granted me under the provisions of General Rule 104 F(I), the above-described unorthodox location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Santa Fe (Roy Johnson)
NM Oil and Gas Engineering Committee - Hobbs
U.S. Bureau of Land Management - Farmington
U.S. Bureau of Land Management - Albuquerque

