

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

Post Office Box 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

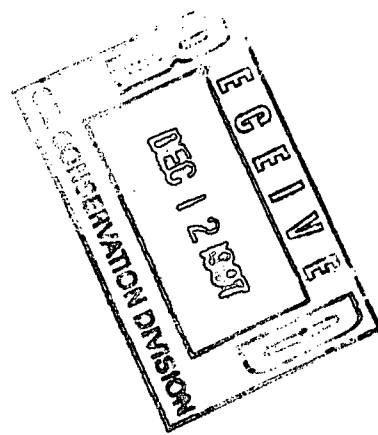
JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

December 12, 1997

HAND DELIVERED

Mr. Michael E. Stogner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87501



**RE: Application to Amend Administrative Order NSL-3901 (NSP)
Sweet Thing State "36" Well No. 1**

Stevens & Tull, Inc.'s requested new location:
850 feet from north line and 300 feet from east line
of Irregular Section 36, T20-1/2S, R21E, NMPM
Eddy County, New Mexico

Dear Mr. Stogner:

On November 17, 1997, the Division issued the enclosed and referenced administrative order approving the drilling of this well at an unorthodox gas well location 1000 feet from the south line and 300 feet from the east line if irregular Section 36, T20-1/2S, R21E, NMPM Eddy County, New Mexico.

At that time, a preliminary surface inspection lead Stevens & Tull to the conclusion that a well could be physically located as requested. However, since then, in preparation of the location it was discovered that Stevens & Tull could not build the original location without dynamiting and removing a hundred plus feet of hillside.

Stevens & Tull has determined that by moving the location 150 feet to the north to a new location being 850 feet from the north line and 330 feet from the east line, the surface disturbance in this area could be minimized. This is a State of New Mexico oil & gas lease.

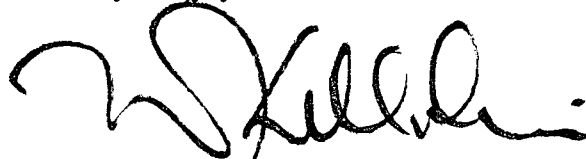
Mr. Michael E. Stogner
December 12, 1997
Page 2.

In support of this request, please find enclosed a copy of the revised C-102 and a topographical map.

As indicated in our correspondence to you dated November 10, 1997, Stevens & Tull Inc. is the only offsetting operator affected by this application and all working interests in the federal unit towards whom this well encroaches are also working interests owners in the subject well. Therefore no notice is required by the NMOCD rules.

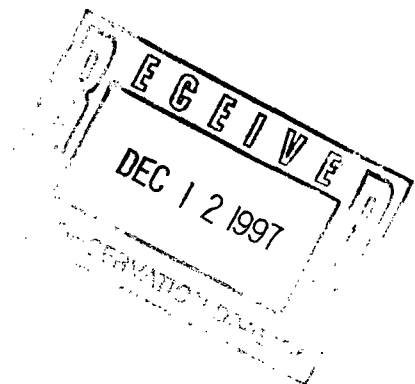
Stevens & Tull, Inc. has a rig moving to this location within the next week or so and would very much appreciate you accommodating their request at your earliest convenience.

Very truly yours,



W. Thomas Kellahin

cfx: Stevens & Tull, Inc.
Attn: Jerry Weant



DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0710

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 80240	Pool Name Little Box Canyon Morrow Gas
Property Code	Property Name SWEET THING STATE 36	Well Number 1
OGRID No.	Operator Name STEVENS & TULL	Elevation 4458

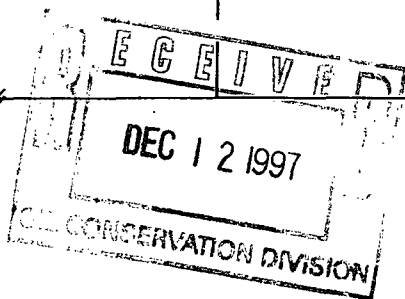
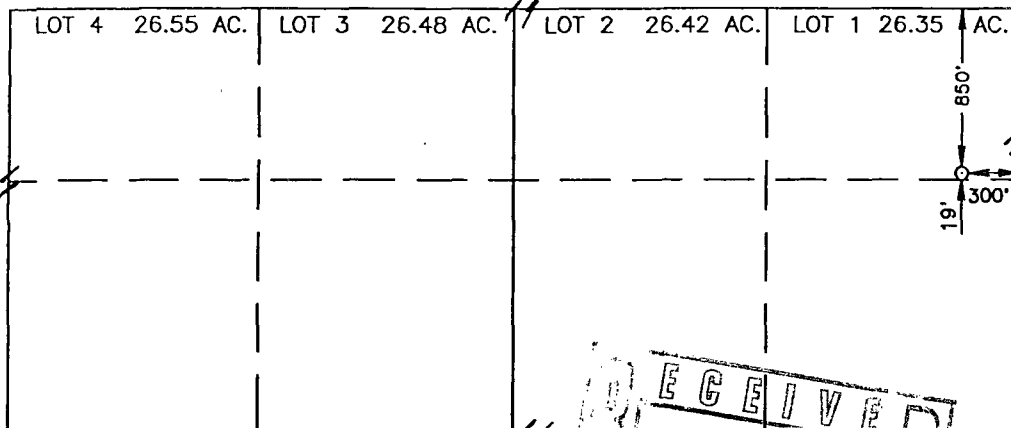
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	36	20-1/2-S	21 E		850	NORTH	300	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres * 265.80	Joint or Infill I	Consolidation Code	Order No. * Unorthodox location approval case # NSL-3901(NSP)						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Signature
Michael G. Mooney
Printed Name
Consulting Engineer
Title
12/10/97
Date

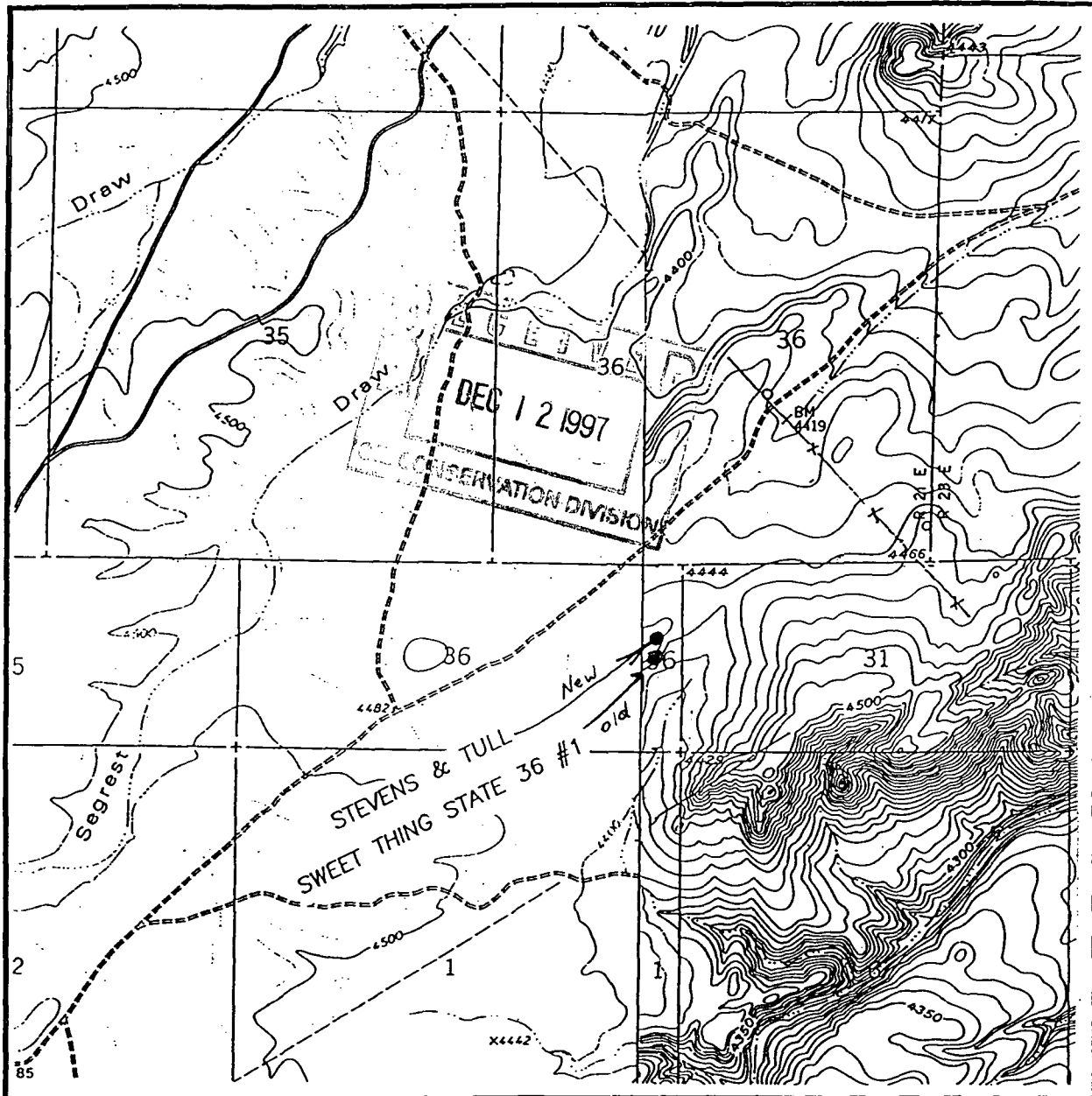
SURVEYOR CERTIFICATION

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 belief.

DECEMBER 6, 1997

Date Surveyed
Signature & Seal of
Professional Surveyor
RONALD J. EIDSON
NEW MEXICO
DEC. 10-97
C.E.O. Num. 97-117890
Certificate No. RONALD J. EIDSON, 3239
CARL EIDSON, 12641
RONALD J. EIDSON, 12185

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 20' &

CONTOUR INTERVAL - 10'

SEC. 36 TWP. 20-1/2-S RGE. 21-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 850' FNL & 300' FEL

ELEVATION 4458'

OPERATOR STEVENS & TULL

LEASE SWEET THING STATE 36

U.S.G.S. TOPOGRAPHIC MAP

STRYCHNINE DRAW, & BOX CANYON RANCH, N.M.

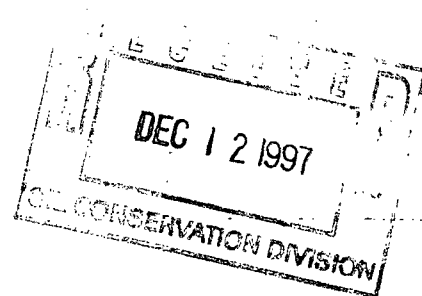
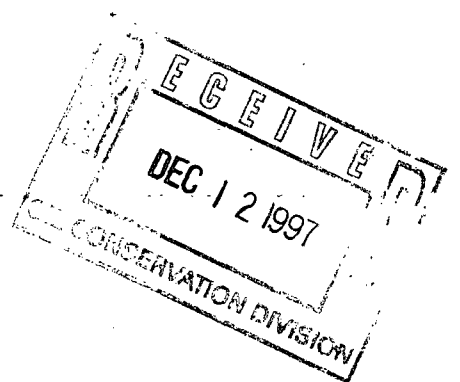
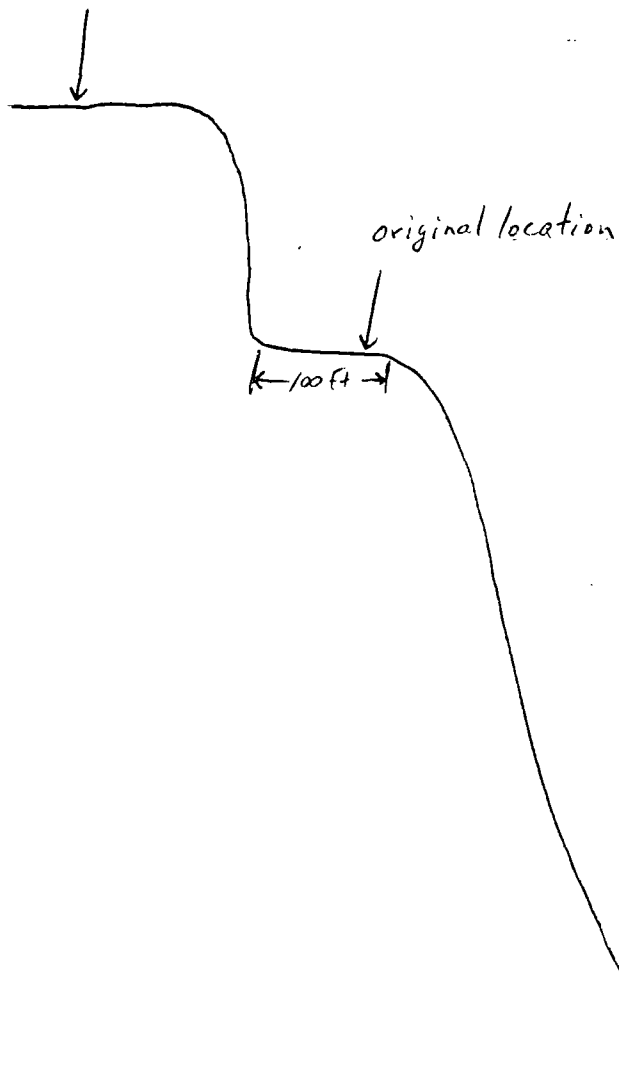
**JOHN WEST ENGINEERING
HOBBS, NEW MEXICO**

(505) 393-3117

Sweet Thing State "36" #1

Section 36, T-20 $\frac{1}{2}$, R-21-E, Eddy County, New Mexico

New location



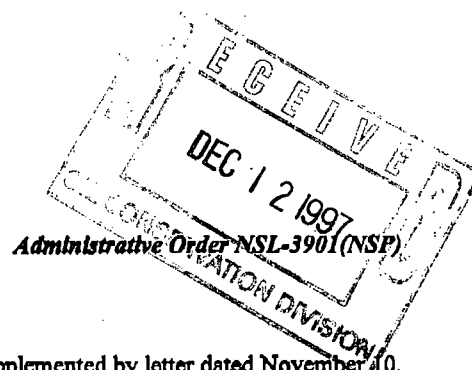


NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 17, 1997

Stevens & Tull, Inc.
c/o W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504-2265



Dear Mr. Kellahin:

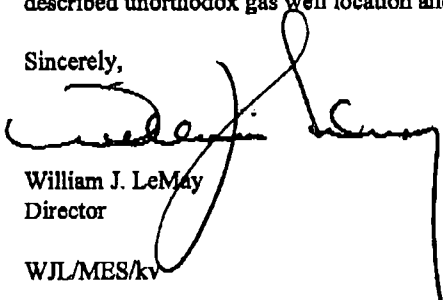
Reference is made to your application dated October 22, 1997, as supplemented by letter dated November 10, 1997, on behalf of the operator, Stevens & Tull, Inc., for a non-standard gas well location to be applicable to any and all formations and/or pools developed on 320-acre spacing from the top of the Wolfcamp formation to the base of the Morrow formation, which presently includes but is not necessarily limited to the Undesignated Little Box Canyon-Morrow Gas Pool, for Stevens & Tull, Inc.'s proposed Sweet Thing State "36" Well No. 1 to be drilled 1000 feet from the South line and 300 feet from the East line (Unit P) of irregular Section 36, Township 20-1/2 South, Range 21 East, NMPM, Eddy County, New Mexico. All of said irregular Section 36 is to be dedicated to said well to form a non-standard 265.80-acre gas spacing and proration unit.

It is our understanding that the subject well is to be drilled to a total depth of approximately 8,250 feet in order to test down to the Morrow formation. The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Undesignated Little Box Canyon-Morrow Gas Pool than a well drilled at a location considered to be standard within the subject 265.80-acre gas spacing and proration unit. Further, evidence submitted by the applicant indicates that the effected offsetting acreage comprising all of irregular Section 31, Township 20-1/2 South, Range 22 East, NMPM, and the W/2 equivalent of Section 6, Township 21 South, Range 22 East, NMPM, Eddy County, New Mexico is a Federal unitized area (Sweet Thing Federal Unit) that is currently operated by Stevens & Tull, Inc.; therefore, there are no other offsetting operators to the subject 265.80-acre tract.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2) and 104.D(2), the above-described unorthodox gas well location and non-standard gas spacing and proration unit are hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MBS/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
U. S. Bureau of Land Management - Carlsbad