



MYCO INDUSTRIES, INC.

OIL PRODUCERS

P.O. BOX 840 / 331 WEST MAIN, SUITE C

ARTESIA, NEW MEXICO 88211-0840

Phone (505) 748-1471

March 29, 1999

NM Energy Minerals and Natural Resource Dept.
Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, NM 87505

Attn: Mike Stogner
Engineer

RE: Administrative Approval Request
Non-Standard Location (Rule #104.F)
Unorthodox "Infill" Oil Well
Continental State #17
340' FSL & 1300' FWL
Township 19 South, Range 29 East, NMPM
Section 10
Eddy County, New Mexico
Proposed TD 2400' (7RVRS-QN)

Dear Sir:

Myco Industries, Inc. hereby requests that administrative approval, under Rule #104.F, be granted for an unorthodox "Infill" Oil Well Location within an existing standard 40-acre oil spacing and proration unit as follows:

Continental State #17-M
State Lease B-8096
MYCO - 100% WI (Surface - 5000')
Turkey Track 7RVRS-QN-GB-SA Pool
TD 5000' (7RVRS-QN Test)
Unit M, 340' FSL & 1300' FWL, Sec. 10-T19S-R29E, NMPM
Eddy County, New Mexico

Myco plans to drill this well within the next ten to fourteen days. We have a rig available that will move on this well after drilling the Continental "A" State #16-P, that you approved last week.

Attached please find a plat depicting the proposed location and New Mexico State Lease #B-8096. Myco's Lease Record sheet is also attached.

Please fax your approval to (505) 748-2368. Thanks for the help.

Sincerely,

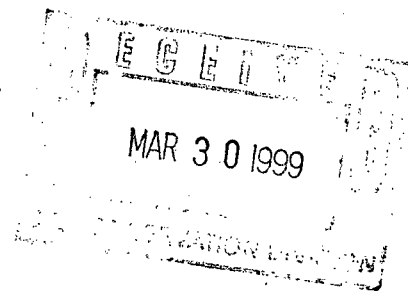
Nelson Muncy, PELS
Operations Manager

Attachments (2)
NM:ss

XC: NMOCD - Artesia
Frank Yates, Jr.
Kathy Porter - Land
Doug Adey - Accounting



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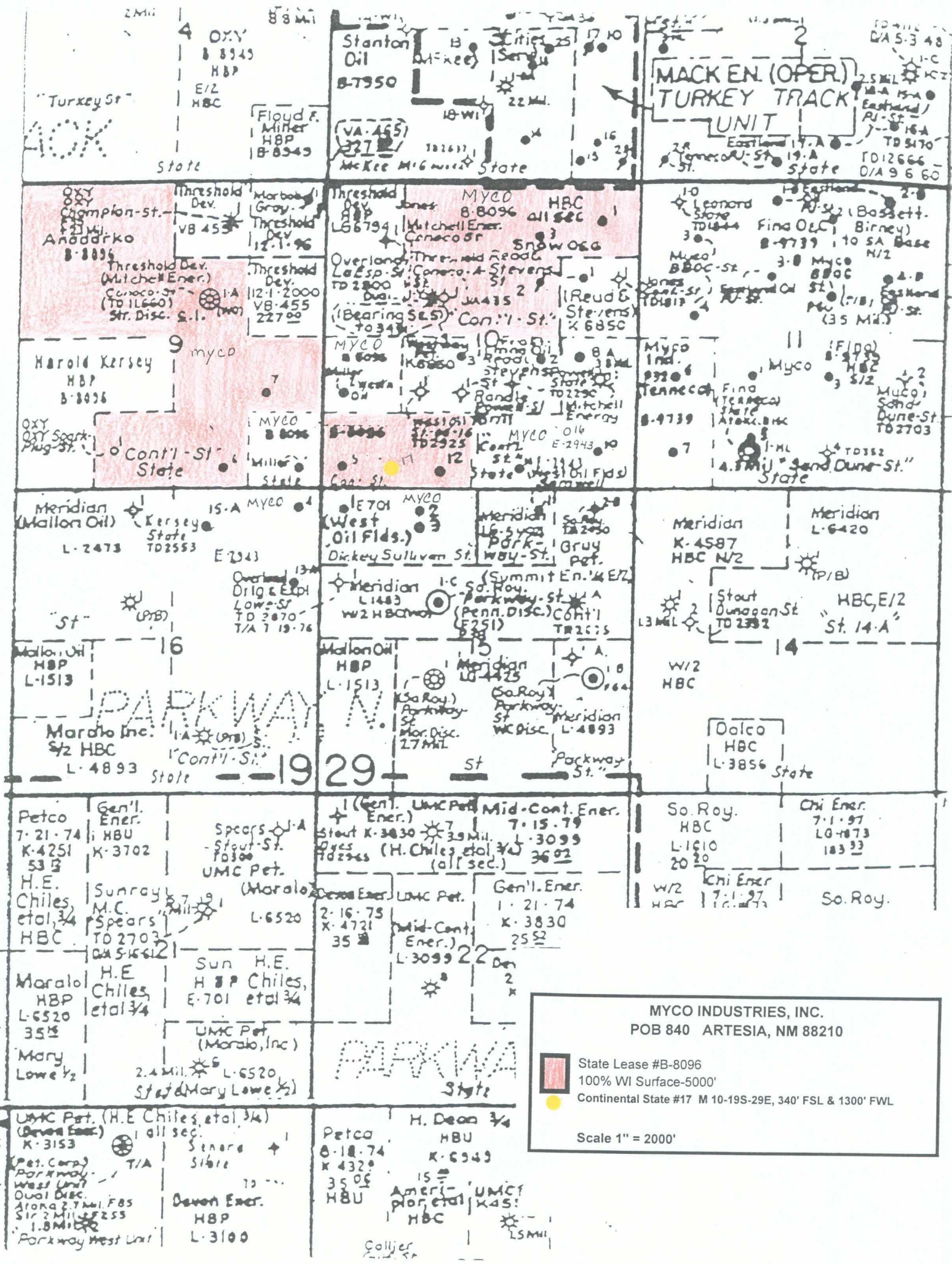
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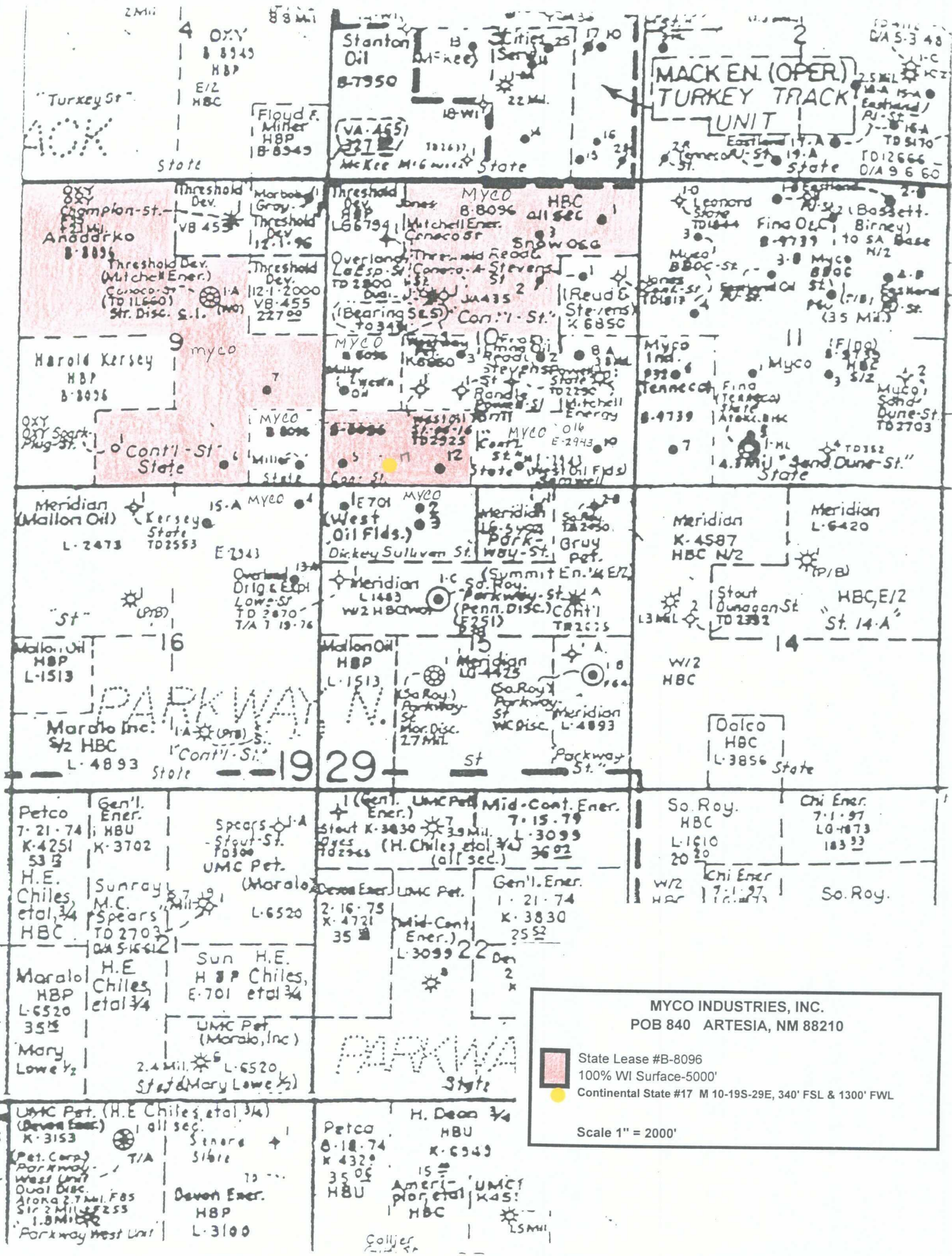
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MYCO INDUSTRIES, INC.
POB 840 ARTESIA, NM 88210

- State Lease #B-8096
- 100% WI Surface-5000'
- Continental State #17 M 10-19S-29E, 340' FSL & 1300' FWL

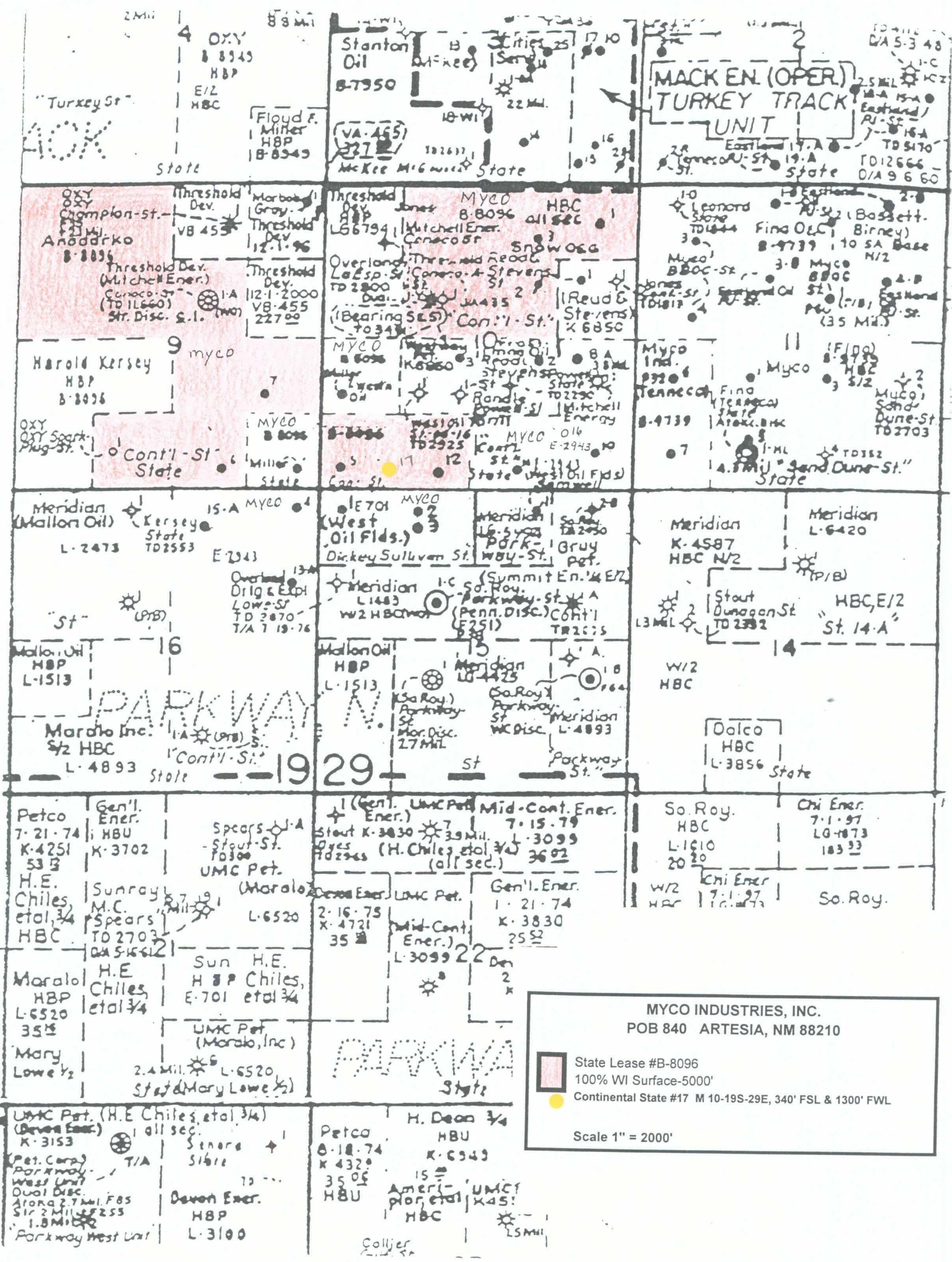
Scale 1" = 2000'



MYCO INDUSTRIES, INC.
POB 840 ARTESIA, NM 88210

- State Lease #B-8096
- 100% WI Surface-5000'
- Continental State #17 M 10-19S-29E, 340' FSL & 1300' FWL

Scale 1" = 2000'



MYCO INDUSTRIES, INC.
POB 840 ARTESIA, NM 88210

State Lease #B-8096
100% WI Surface-5000'
Continental State #17 M 10-19S-29E, 340' FSL & 1300' FWL

Scale 1" = 2000'

LEASE NUMBER - NM-000802-000050-B

LEASE NAME B-8096-23, ANADARKO PETROLEUM

PROSPECT.....000000

ACCT. LEASE 261606-001

ACQ CODE.....

COUNTY #1.....EDD EDDY

BOOK..

PAGE..

REC DATE... 0/00/0000

COUNTY #2.....

BOOK..

PAGE..

REC DATE... 0/00/0000

STATE.....NM NEW MEXICO

LEASE DATE..... 4/10/1939

RECORD STATUS... CM COMPLETE LEASE RECORD

EFFECTIVE DATE..... 4/10/1939

LEASE TYPE.....S STATE OIL & GAS LEASE

EXPIRATION DATE..... 4/10/1949

ACQUISITION DATE. 11/01/1997

PRIMARY TERM.....5+5 YR

LEASE/RENTAL STAT...PAY LEASE ON PAY STATUS

ORIGINAL LESSOR.....STATE OF NEW MEXICO

ORIGINAL LESSEE.....CONTINENTAL OIL COMPANY

ACQUIRED - HOW.....

BONUS PER ACRE...

- FROM.....ANADARKO PETROLEUM CORPORATION

TOTAL BONUS.....

LESSEE OF RECORD....

ACREAGES

LSE GROSS

LEASE NET

OUR NET

BASE ACRES.....

TOTAL.....

640.00

640.00

LESSOR MI.....

DEVELOPED....

LESSOR RI..... .12500000

UNDEVELOPED..

640.00

640.00

TOTAL ORRI..... .05468800

NO TOTALIZE..

LEASE NRI..... .82031200

LEGAL DESCRIPTION INFORMATION:

SEQ	TWP	RNG	SEC	LOCATION LEGAL DESCRIPTION	ABSTRACT #	LSE GRS	LSE NET
01	19S	29E	9	NW4, SW4NE4, N2SE4, SW4SE4, SE4SW4		360.00	360.00
02	19S	29E	10	S2SW4, E2NW4, N2NE4, SW4NE4		280.00	280.00
TOTAL ACREAGE						640.00	640.00

OWNERSHIP INFORMATION:

OWNER# MINERAL OWNER

MI %

DEPOSITORY BANK

192200 COMMISSIONER OF PUBLIC LANDS

TAX ID #.... 000-00-0000 RNTL... 320.00 S/I...

TOTAL INTEREST

OWNER# WORKING INTEREST OWNER

GWI

OTHER CO LSE

640010 MYCO INDUSTRIES, INC.

1.00000000

TOTAL INTEREST 1.00000000

SPECIAL FEATURES/WEEL CROSS REFERENCE:

HELD BY PROD... Y	SURFACE DAMAGES...	POOLING..OIL	GAS
HELD BY UNIT...	MINIMUM ROYALTY...	REWORK DAYS.....	
SHUT-IN PROV...	RENEWAL OPTION....	MULTI-TRACT.....	
PUGH CLAUSE....	LESSOR INTEREST...	SLIDING ROYALTY.	
REASMT OBLIG...	CONT. DRILLING....		
UNIT CLAUSE....			

WELL #	T	WELL NAME	OPERATOR	SPAC
019671-001		CONTINENTAL STATE #1	MYCO MYCO INDUS	
		UNIT DESC... 19S 29E 010 NENE		
019671-003		CONTINENTAL STATE #3	MYCO MYCO INDUS	
		UNIT DESC... 19S 29E 010 NENE		
019671-005		CONTINENTAL STATE #5	MYCO MYCO INDUS	
		UNIT DESC... 19S 29E 010 SWSW		
019671-012		CONTINENTAL STATE #12	MYCO MYCO INDUS	
		UNIT DESC... 19S 29E 010 SESW		
019671-06Y		CONTINENTAL STATE #6Y	MYCO MYCO INDUS	
		UNIT DESC... 19S 29E 009 SWSE		

DELAY RENTAL/SHUT-IN INFORMATION:

RENTAL PAID BY.....MYCO

SHUT-IN PAID BY.....

RENTAL PER ACRE..... .50

SHUT-IN PER ACRE.....

RENTAL AMOUNT/TYPE.....PAYMENT#2808HR- APRIL-1998

RENTAL AMOUNT/TYPE.....PAYMENT#2808HR- APRIL-1998

LND07 LEASE RECORD SHEET
USER-JUDYF WS-JFS1
8:45:58 1/27/1998

PAGE 2
14:48:19 1/28/1998

LEASE NUMBER - NM-000802-000050-B

LEASE NAME B-8096-23, ANADARKO PETROLEUM

DELAY RENTAL/SHUT-IN INFORMATION:

BANK FEE	BANK FEE.....
TOTAL RENTAL..... 320.00	TOTAL SHUT-IN.....
COMPANY SHARE.....	COMPANY SHARE.....
RENTAL DUE DATE..... 4/10/1998	SHUT-IN DUE DATE..... 0/00/0000
PAYMENT FREQUENCY.....ANNUALLY	PAYMENT FREQUENCY.....
	HBP WELL NAME..CONTINENTAL STATE #1
	MULT/COMB CHECKS

REMARKS:

MYCO OWNS RECORD TITLE & 100% OPERATING RIGHTS FROM THE SURFACE TO 2,400' &
50% OPERATING RIGHTS FROM 2,400' TO 5,000'

LEASE NUMBER - NM-000802-000050-B

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PROSPECT.....000000

ACCT. LEASE 261606-001

ACQ CODE.....

COUNTY #1.....EDD EDDY

BOOK..

PAGE..

REC DATE... 0/00/0000

COUNTY #2.....

BOOK..

PAGE..

REC DATE... 0/00/0000

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ORIGINAL LESSEE.....CONTINENTAL OIL COMPANY

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- FROM.....ANADARKO PETROLEUM CORPORATION

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LESSEE OF RECORD....

ACREAGES

LSE GROSS

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OUR NET

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 192200 COMMISSIONER OF PUBLIC LANDS
 TAX ID #..... 000-00-0000 RNTL... 320.00 S/I...
 TOTAL INTEREST

OWNER# WORKING INTEREST OWNER
 640010 MYCO INDUSTRIES, INC.
 TOTAL INTEREST 1.00000000

SPECIAL FEATURES/WELL CROSS REFERENCE:

HELD BY PROD... Y	SURFACE DAMAGES...	POOLING..OIL	GAS
HELD BY UNIT...	MINIMUM ROYALTY...	REWORK DAYS.....	
SHUT-IN PROV...	RENEWAL OPTION....	MULTI-TRACT.....	
PUGH CLAUSE....	LESSER INTEREST...	SLIDING ROYALTY.	
REASMT OBLIG...	CONT. DRILLING....		
UNIT CLAUSE....			

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		UNIT DESC... 19S 29E 009 SWSE		

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RENTAL PAID BY.....MYCO
 RENTAL PER ACRE..... .50
 RENTAL AMOUNT/TYPER.....PAYMENT32000HR-
 SHUT-IN PAID BY.....
 SHUT-IN PER ACRE.....
 ABSTRACT-LEASENUMBER.....NM-000802-000050-B

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8:45:58 1/27/1998PAGE 2
14:48:19 1/28/1998

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10 P 8922 842 505 16:15 MAR-29-99 NOW

MYCO Industries, Inc.

P O Box 840

331 West Main, Ste C

Artesia, NM 88211-0840

Date: 3/29/99

Number of pages including cover sheet: 6

To:

MIKE STOGNER
OCB

Phone: 505 827 7131

Fax phone: 505 827 1389

CC:

From:

Nelson Muncy



MYCO INDUSTRIES, INC.

— OIL - GAS PRODUCER —

P.O. Box 840 • Corner of 4th & Main
Artesia, New Mexico 88211-0840

(505) 748-4274

FAX (505) 748-2368

HOME (505) 748-2687

CELLULAR (505) 746-7316

PAGER 1 (800) 999-6710

PIN #9911085

NELSON MUNCY, PELS

— OPERATIONS MANAGER —

REMARKS:

☐ Urgent

☐ For your review

☐ Reply ASAP

☐ Please comment

ENCLOSED INFORMATION WAS SENT VIA Fed. Ex.
3/29/99. You should receive by tomorrow.

Any questions, please do not hesitate to
contact me.

NOTE: The information contained in this facsimile message is work product attorney/client privileged and confidential information intended only for use by the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivery to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is in error. If you have received this facsimile in error, please immediately notify us by collect telephone call and return the original message to us at the above address via the U.S. Postal Service.



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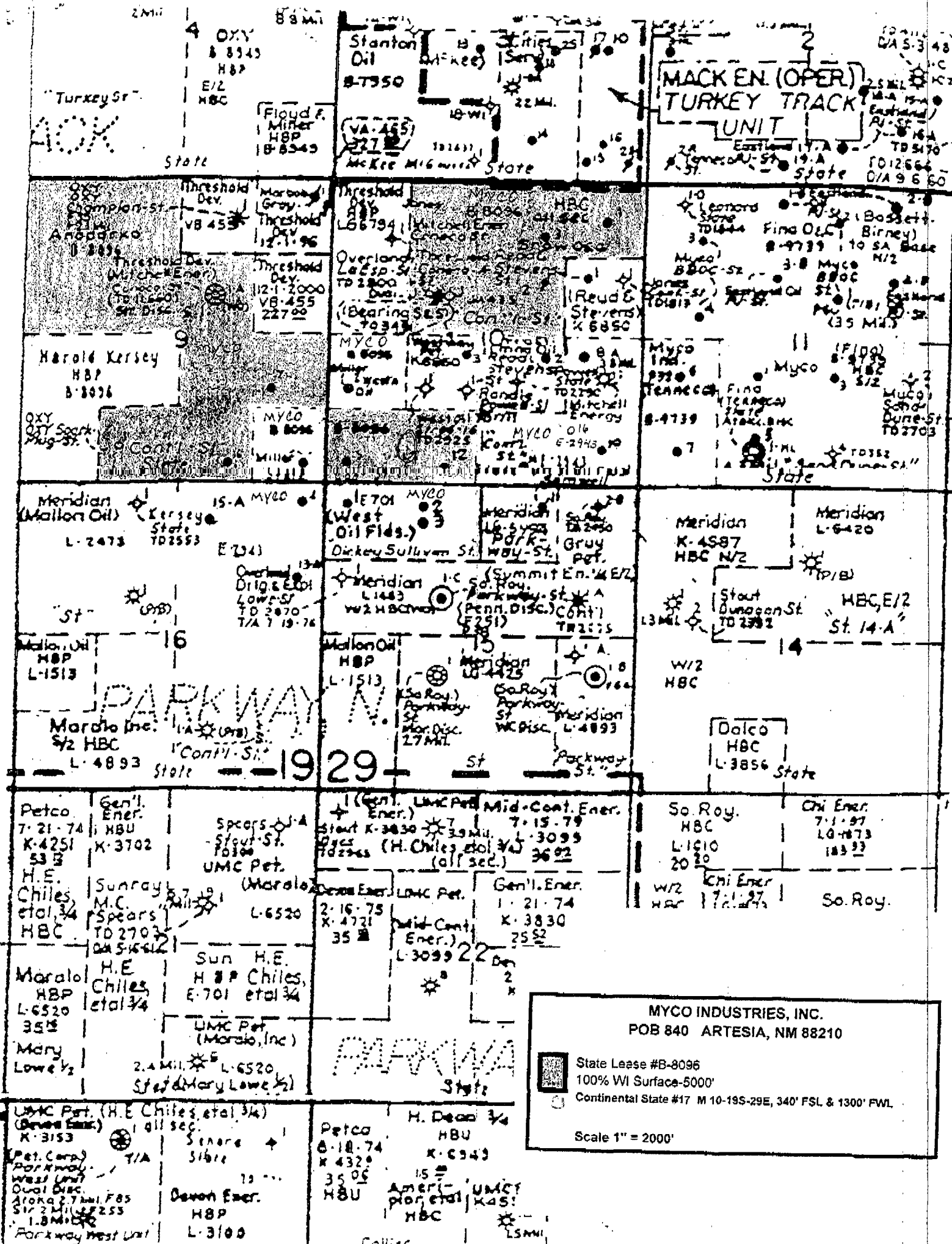
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LEASE NAME B-8096-23, ANADARKO PETROLEUM

PROSPECT.....000000

ACCT. LEASE 261606-001

ACQ CODE.....

COUNTY #1.....EDD EDDY

COUNTY #2.....

STATE.....NM NEW MEXICO

LEASE DATE..... 4/10/1939

EFFECTIVE DATE..... 4/10/1939

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LESSEE OF RECORD.....

BOOK..

PAGE..

REC DATE... 0/00/0000

BOOK..

PAGE..

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BONUS PER ACRE...

TOTAL BONUS.....

ACREAGES

TOTAL.....

DEVELOPED....

UNDEVELOPED..

NO TOTALIZE..

LSE GROSS

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LEASE NET

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OUR NET

BASE ACRES.....

LESSOR MI.....

LESSOR RI.....

TOTAL ORRI.....

LEASE MRI.....

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 CENTAL OIL ARCC

SHUT-IN PAID BY.....

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MULT/COMB CHECKS

REMARKS:

MYCO OWNS RECORD TITLE & 100% OPERATING RIGHTS FROM THE SURFACE TO 2,400' &
50% OPERATING RIGHTS FROM 2,400' TO 5,000'

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0200

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1 From (please print and press hard)

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1097-85-9-9

Sender's Name Nelson Muncy

Phone 1 505 748-1471

Company MYCO INDUSTRIES, INC.

Address 331 W MAIN ST STE C

Day/night/other Room

City ARTESIA,

State NM ZIP 88210

2 Your Internal Billing Preference Information
(Please indicate if it differs from the address above)

3 To (please print and press hard)

Recipient's Name Mike Stogner

Phone 1 505 827-7131

Company NM Oil Conservation Division

Address 2040 S. Pacheco Street

City Santa Fe State NM ZIP 87505

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RETAIN THIS COPY FOR YOUR RECORDS

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION03/30/99 10:08:00
OGOMES -TPJW
PAGE NO: 1

Sec : 10 Twp : 19S Rng : 29E Section Type : NORMAL

D 40.00 CS LG6794 0003 08/89 THRESHOLD DEVELOP C	C 40.00 CS B08096 0024 04/49 MYCO INDUSTRIES I C	B 40.00 CS B08096 0024 04/49 MYCO INDUSTRIES I C A	A 40.00 CS B08096 0024 04/49 MYCO INDUSTRIES I C A
E 40.00 CS LG6794 0003 08/89 THRESHOLD DEVELOP C	F 40.00 CS B08096 0024 04/49 MYCO INDUSTRIES I C A	G 40.00 CS B08096 0024 04/49 MYCO INDUSTRIES I C	H 40.00 CS K06850 0001 04/77 READ & STEVENS IN C A

PF01 HELP
PF07 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
PF12

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION03/30/99 10:08:07
OGOMES -TPJW
PAGE NO: 2

Sec : 10 Twp : 19S Rng : 29E Section Type : NORMAL

L 40.00 CS B08096 0025 04/49 MYCO INDUSTRIES I C	K 40.00 CS K06850 0001 04/77 READ & STEVENS IN C A	J 40.00 CS K06850 0001 04/77 READ & STEVENS IN C A	I 40.00 CS E02943 0007 09/59 MYCO INDUSTRIES I C A A
M 40.00 CS B08096 0024 04/49 MYCO INDUSTRIES I C A	N 40.00 CS B08096 0024 04/49 MYCO INDUSTRIES I C A	O 40.00 CS E02943 0007 09/59 MYCO INDUSTRIES I C A	P 40.00 CS E02943 0007 09/59 MYCO INDUSTRIES I C A

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

03/30/99 10:08:49
OGOMES -TPJW

API Well No : 30 15 27332 Eff Date : 01-01-1998 WC Status : A
Pool Idn : 61020 TURKEY TRACK;7 RVRS-QU-GB-SA
OGRID Idn : 15445 MYCO INDUSTRIES INC
Prop Idn : 22486 CONTINENTAL STATE

Well No : 012
GL Elevation: 3362

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : N	10	19S	29E	FTG	330 F S	FTG 1980 F W	P
Lot Identifier:							
Dedicated Acre: 40.00							
Lease Type : S							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

03/30/99 10:08:34
OGOMES -TPJW

API Well No : 30 15 3575 Eff Date : 01-01-1998 WC Status : A
Pool Idn : 61020 TURKEY TRACK;7 RVRS-QU-GB-SA
OGRID Idn : 15445 MYCO INDUSTRIES INC
Prop Idn : 22486 CONTINENTAL STATE

Well No : 005
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : M	10	19S	29E	FTG	330 F S	FTG 330 F W	A

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : S

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

03/30/99 10:09:17
OGOMES -TPJW
PAGE NO: 1

Sec : 09 Twp : 19S Rng : 29E Section Type : NORMAL

D 40.00 CS B08096 0024 04/49 MYCO INDUSTRIES I C	C 40.00 CS B08096 0024 04/49 MYCO INDUSTRIES I C	B 40.00 CS VB0455 0001 12/00 THRESHOLD DEVELOP C A	A 40.00 CS VA0465 0001 12/96 THRESHOLD DEVELOP C
E 40.00 CS B08096 0024 04/49 MYCO INDUSTRIES I C	F 40.00 CS B08096 0024 04/49 MYCO INDUSTRIES I C	G 40.00 CS B08096 0024 04/49 MYCO INDUSTRIES I C A	H 40.00 CS VB0455 0001 12/00 THRESHOLD DEVELOP C

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

03/30/99 10:09:21
OGOMES -TPJW
PAGE NO: 2

Sec : 09 Twp : 19S Rng : 29E Section Type : NORMAL

L 40.00 CS B08096 0010 04/49 R D COLLIER & HAR C	K 40.00 CS B08096 0010 04/49 R D COLLIER & HAR C	J 40.00 CS B08096 0024 04/49 MYCO INDUSTRIES I C	I 40.00 CS B08096 0024 04/49 MYCO INDUSTRIES I C
M 40.00 CS B08096 0010 04/49 R D COLLIER & HAR C	N 40.00 CS B08096 0024 04/49 MYCO INDUSTRIES I C A	O 40.00 CS B08096 0024 04/49 MYCO INDUSTRIES I C A	P 40.00 CS B08096 0025 04/49 MYCO INDUSTRIES I C A

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

NSLOILSP. 4

March 30, 1999

Rec: 3-29-99
Susp: 4/1/99
Released: 3-30-99

MYCO Industries, Inc.
Attention: Nelson Muncy
P. O. Box 840
Artesia, New Mexico 88211-0840

Telefax No. (505) 748-2368

4247
Administrative Order NSL-~~4247~~ (SD)

Dear Mr. Muncy:

Reference is made to your application dated March 29, 1999 for an unorthodox "infill" oil well location within an existing standard 40-acre oil spacing and proration unit comprising the SW/4 SW/4 (Unit M) of Section 10, Township 19 South, Range 29 East, NMPM, Turkey Track (Seven Rivers/Queen/Grayburg/San Andres) Pool, Eddy County, New Mexico.

This 40-acre unit is currently dedicated to MYCO Industries, Inc.'s ("MYCO") Continental State Well No. 5 (**API No. 30-015-03575**) located at a standard oil well location 330 feet from the South and West line of Section 10.

Further, the S/2 SW/4 of Section 10 is a single State lease (New Mexico State Land Office Lease No. B-08096-0024) in which MYCO is the leasehold operator; therefore, there are no effected offsets to the subject 40-acre tract other than MYCO.

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

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox "infill" oil well location within the SW/4 SW/4 (Unit M) of Section 10 is hereby approved:

Continental State Well No. 17
340' FSL & 1300' FWL.

Further, both the existing Continental State Well No. 5 and the proposed Continental State Well No. 17 are to be simultaneously dedicated to the subject 40-acre unit.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe