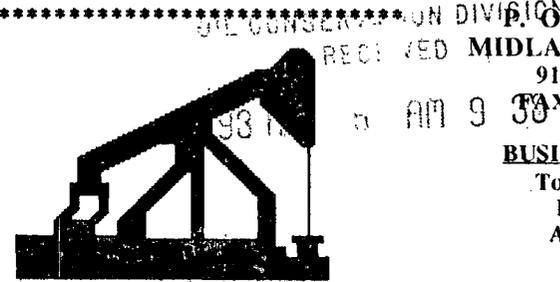


LANEXCO, INC.

P.O. BOX 1206
JAL, NEW MEXICO 88252
505/395-3056
FAX 505/395-3205

OPERATIONS
Robert Lansford, President
Mike Copeland
Susan Chacon



P.O. BOX 2730
MIDLAND, TEXAS 79702
915/687-5047
FAX 915/687-5048

BUSINESS OFFICE
Tommy Phipps
Ric Flores
Amy Hale

April 2, 1993

Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

ATTN: Mr. Mike Stogner

RE: El Paso Tom Federal No. 9
660' FNL & 660' FWL
Sec. 33, T25S, R37E
LC 054667
Lea County, New Mexico

Dear Mr. Stogner:

Lanexco, Inc. is requesting approval to dedicate the above mentioned well to our 160 acre unit. This 160 acre unit was approved February 1, 1993 and Division Administrative Order NSP-1661 was issued for the El Paso Tom Federal No. 5. The El Paso Tom Federal No. 5 is a Jalmat producer and the No. 9 was formerly a Langlie Mattix. Lanexco would like to recomplete the No. 9 as a Jalmat producer.

Therefore, we do ask approval to add this second well to our unit.

If you need further information, please contact me.

Sincerely,

Mike Copeland
Production Superintendent

MC/sc

DRILLING

ENGINEERING

OPERATING

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

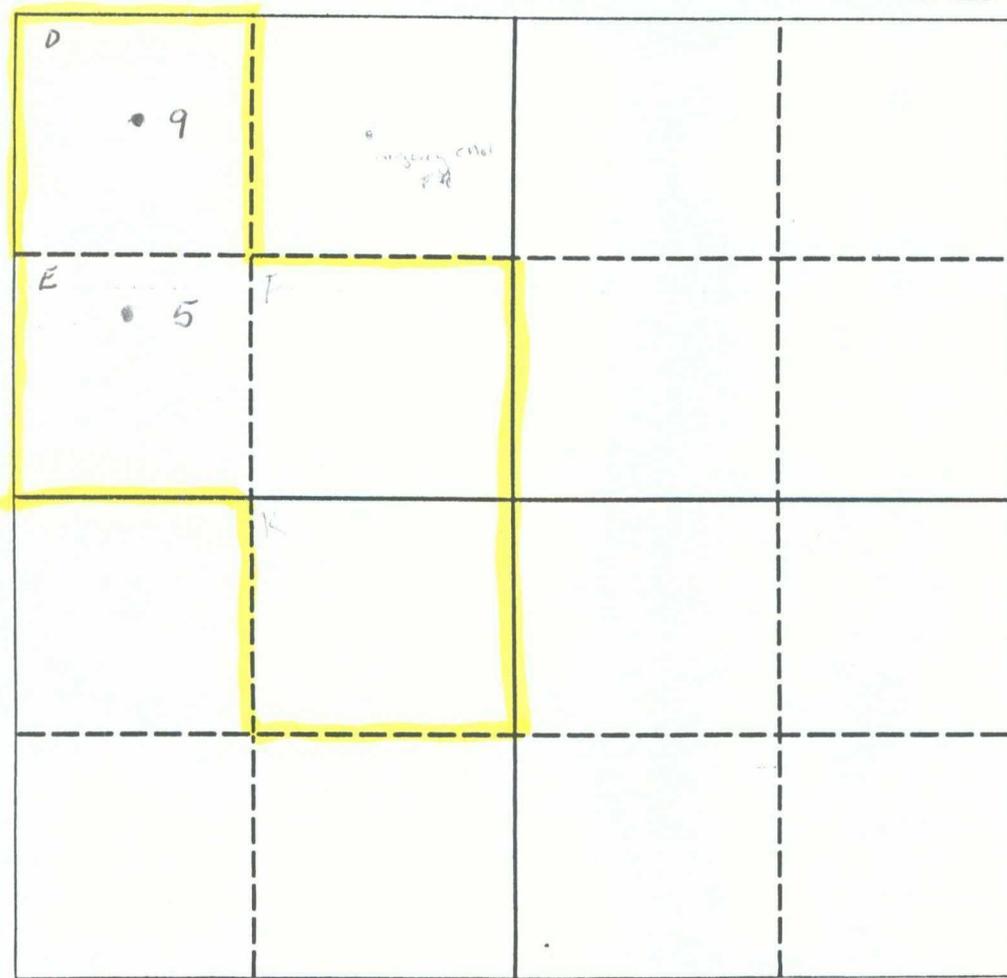
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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 Lanexco, Inc.			Lease El Paso Tom Federal		Well No. 9
Unit Letter D	Section 33	Township 25S	Range 37E	County Lea	
Actual Footage Location of Well: 660 feet from the N line and 660 feet from the W line					
Ground level Elev.	Producing Formation Jalmat	Pool Jalmat Tansill Yates 7 Rivers	Dedicated Acreage: 160 Acres		
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</p> <p>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).</p> <p>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.? <input type="checkbox"/> Yes <input type="checkbox"/> 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.</p>					



OPERATOR CERTIFICATION

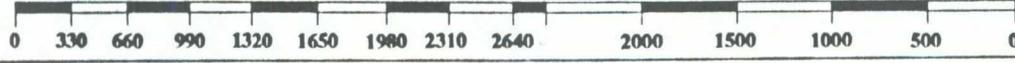
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Mike Copeland
Signature
Mike Copeland
Printed Name
Production Supt.
Position
Lanexco, Inc.
Company
4-2-93
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 knowledge and belief.

Date Surveyed _____
Signature & Seal of Professional Surveyor _____
Certificate No. _____



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

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

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

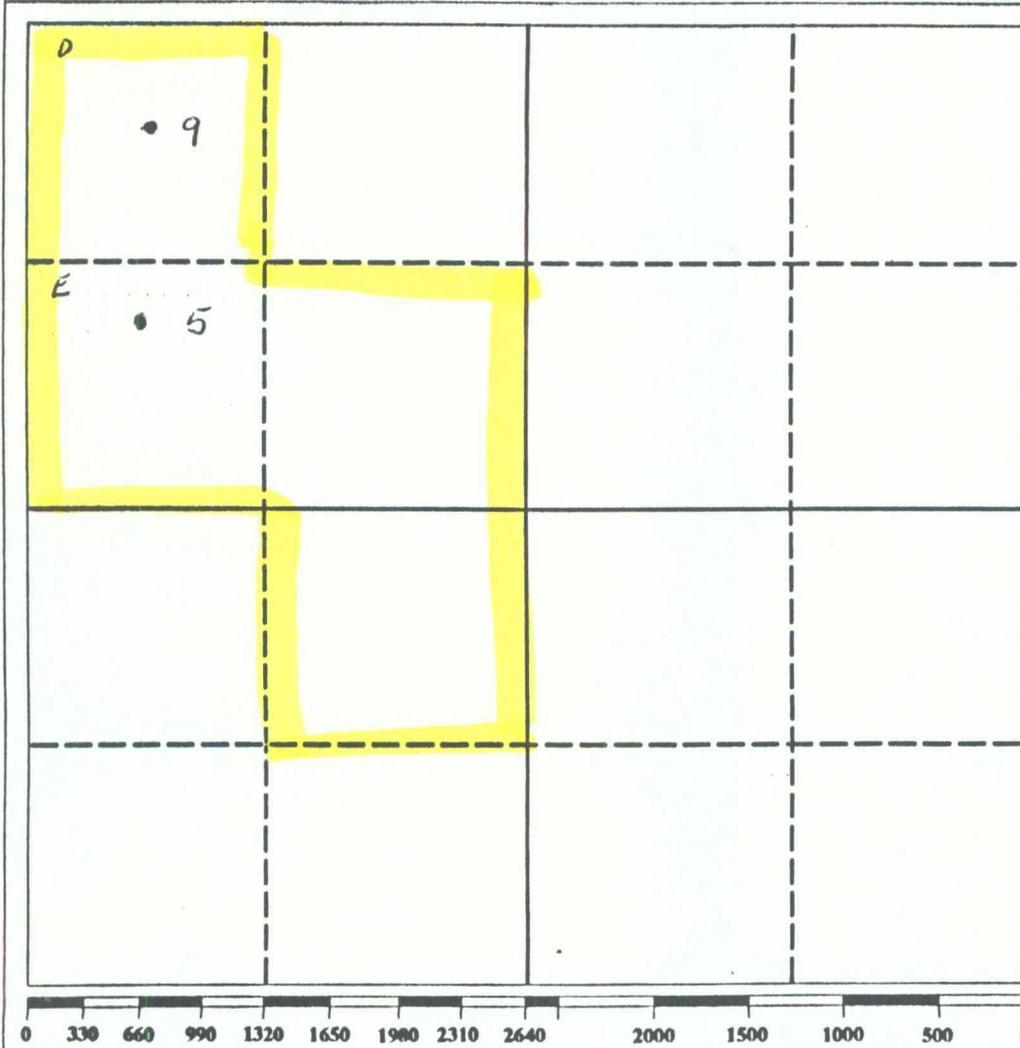
Operator Lanexco, Inc.			Lease El Paso Tom Federal			Well No. 9		
Unit Letter D	Section 33	Township 25S	Range 37E	County NMPM Lea				
Actual Footage Location of Well: 660 feet from the N line and 660 feet from the W line								
Ground level Elev.	Producing Formation Jalmat		Pool Jalmat Tansill Yates 7 Rivers	Dedicated Acreage: 160 Acres				

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- 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, force-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.

Mike Copeland
 Signature
 Mike Copeland
 Printed Name
 Production Supt.
 Position
 Lanexco, Inc.
 Company
 4-2-93
 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 knowledge and belief.

Date Surveyed _____

Signature & Seal of Professional Surveyor _____

Certificate No. _____

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

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

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

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

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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 Lanexco, Inc.			Lease El Paso Tom Federal		Well No. 9
Unit Letter D	Section 33	Township 25S	Range 37E	County Lea	

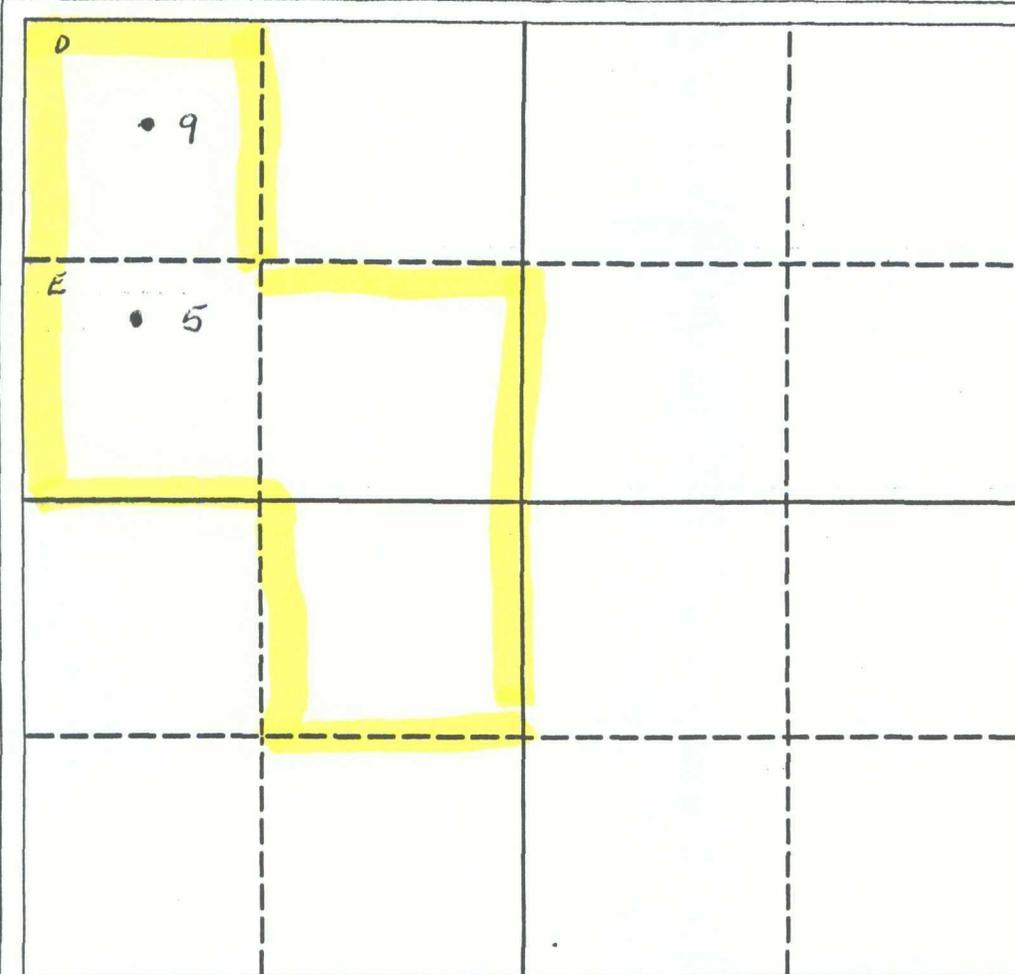
Actual Footage Location of Well:
660 feet from the N line and 660 feet from the W line

Ground level Elev.	Producing Formation Jalmat	Pool Jalmat Tansill Yates 7 Rivers	Dedicated Acreage: 160 Acres
--------------------	-------------------------------	---------------------------------------	---------------------------------

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 - 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.)

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OPERATOR CERTIFICATION

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

Mike Copeland
Signature

Mike Copeland
Printed Name

Production Supt.
Position

Lanexco, Inc.
Company

4-2-93
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 knowledge and belief.

Date Surveyed

Signature & Seal of Professional Surveyor

Certificate No.



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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

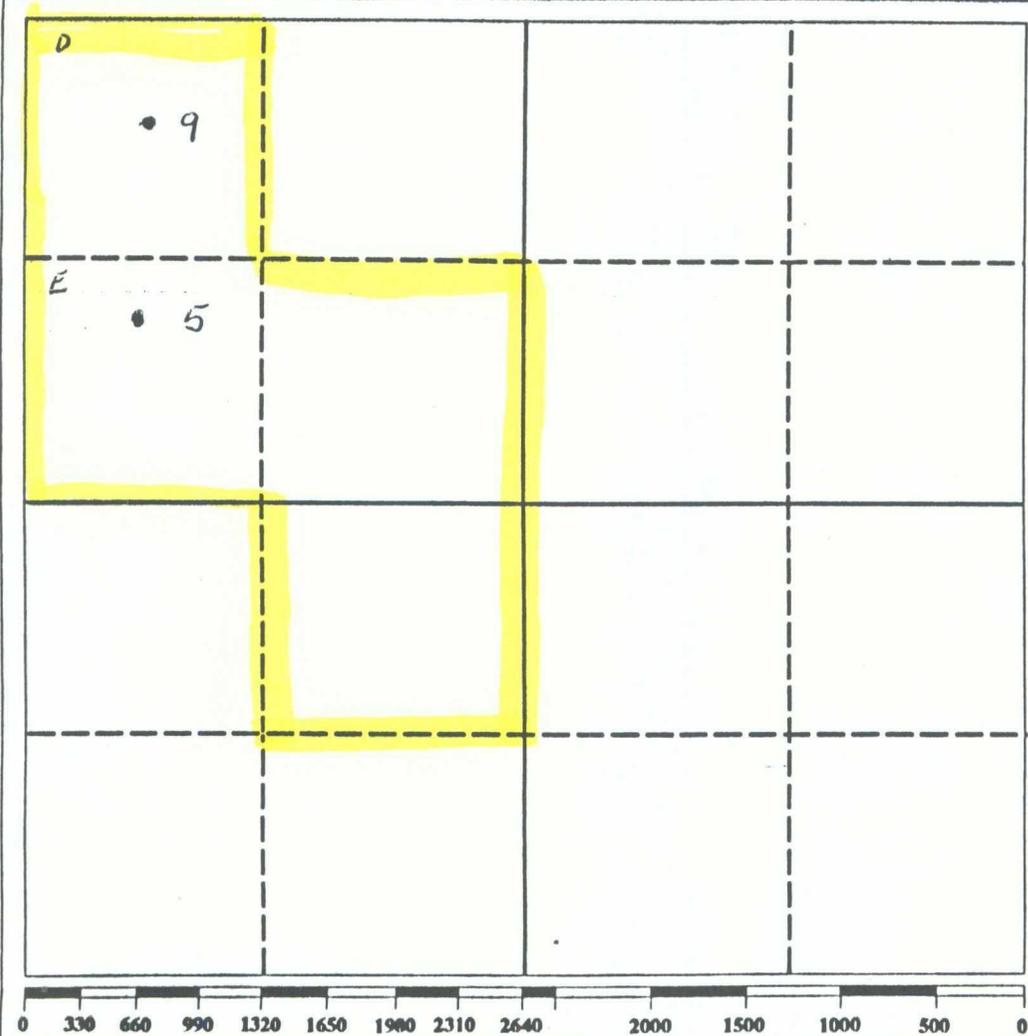
All Distances must be from the outer boundaries of the section

Operator Lanexco, Inc.			Lease El Paso Tom Federal			Well No. 9		
Unit Letter D	Section 33	Township 25S	Range 37E	County NMPM		Lea		

Actual Footage Location of Well:
660 feet from the N line and 660 feet from the W line

Ground level Elev.	Producing Formation Jalmat	Pool Jalmat Tansill Yates 7 Rivers	Dedicated Acreage: 160 Acres
--------------------	-------------------------------	---------------------------------------	---------------------------------

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 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.)
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OPERATOR CERTIFICATION

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

Mike Copeland
Signature
Mike Copeland
Printed Name
Production Supt.
Position
Lanexco, Inc.
Company
4-2-93
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 knowledge and belief.

Date Surveyed _____
Signature & Seal of Professional Surveyor _____
Certificate No. _____

RECEIVED DIVISION UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN **PLUG BACK**

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Lanexco, Inc.

3. ADDRESS OF OPERATOR
 P.O. Box 1206 Jal, NM 88252 505-395-3056

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 660' FNL & 660' FWL
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 1 1/2 mile Southeast of Jal, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) NO

16. NO. OF ACRES IN LEASE 40

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. NO

19. PROPOSED DEPTH 3050 ± PBDT

20. ROTARY OR CABLE TOOLS Pulling unit

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

22. APPROX. DATE WORK WILL START*

5. LEASE DESIGNATION AND SERIAL NO.
 LC-054667

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 El Paso Tom Federal

8. FARM OR LEASE NAME
 Gregory A Federal

9. WELL NO.
 4

10. FIELD AND POOL, OR WILDCAT
 Langlie Mattix SRQGB

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 S33, T25S, R37E

12. COUNTY OR PARISH
 Lea

13. STATE
 NM

23. Casing all ready in well PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	9 5/8"	NA	235	300 SX CMT Circulated
8 3/4"	7"	NA	3085	150 SX TOC 1839 Calculated

Formerly Langlie Mattix SRQGB gas well, which is now productive. Interval - openhole from 3085-3240. Temporarily abandoned.

PROPOSE TO:

- Convert to Jalmat Tansill Yates Seven River.
1. Clean off location and prepare for workover.
 2. Move workover unit to location and rig up.
 3. Run electric logs of well. No logs can be located for this well.
 4. Set a 7" cast Iron Bridge plug at 3060 ±. According to logs. Dump 35 ft. cement o top of CIBP.
 5. Pressure test 7" casing to 500 PSI.
 6. Perforate zone of interest according to logs
 7. Stimulate the zone with 4,000 gallons 15% HCL.
 8. Test zone and place on production or plug and abandon.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Mike Czelon TITLE Production Superintendent DATE 10-28-92

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY David A. Glass TITLE PETROLEUM ENGINEER DATE 12/30/92
 CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

February 1, 1993



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

Meridian Oil, Inc.
P. O. Box 51810
Midland, Texas 79710-1810

Attn: Maria L. Perez
Production Assistant

Lanexco, Inc.
P. O. Box 1206
Jal, New Mexico 88252

Attn: Mike Copeland
Production Superintendent

Division Administrative Order NSP-1661(SD)

Dear Ms. Perez and Mr. Copeland

Reference is made to applications filed in November and December, 1992 by both Meridian Oil, Inc. (Meridian) and Lanexco, Inc. (Lanexco) to divide the existing 440-acre non-standard gas spacing and proration unit (GPU) in the Jalmat Gas Pool currently operated by Lanexco, Inc. and comprising the NW/4 NW/4, S/2 NW/4, and S/2 of Section 33, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico, into three separate and distinct gas proration units.

Said 440-acre GPU was authorized by Division Order No. R-687, dated September 15, 1955 and had dedicated thereon the El Paso Tom Federal Well No. 6 located at a standard gas well location 1650 feet from the South and East lines (Unit J) of said Section 33.

By Division Order No. R-6511, dated November 6, 1980, an additional well re-completed to the Jalmat Gas Pool from the Langlie - Mattix Pool, the El Paso Tom Federal Well No. 7 (formerly the Gregory "A" Federal Well No. 2), located at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 33 was approved for said GPU.

By Division Order No. R-6511-A, dated November 2, 1983, a third well to be drilled and completed in the subject GPU was approved for the El Paso Tom Federal Well No. 5 located at an unorthodox gas well location 1650 feet from the North line and 660 feet from the West line (Unit E) of said Section 33.

It is our understanding at this time that:

- (1) the acreage dedication for the El Paso Tom Federal Well No. 5 in Unit "E" will be changed to a non-standard **160-acre** unit comprising the **NW/4 NW/4, S/2 NW/4, and NE/4 SW/4** of said Section 33. Said gas well location pursuant to **Rule 4(b)2** of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, will now be considered standard;
- (2) further, the acreage dedication for the El Paso Tom Federal Well No. 7 in Unit "L" will be changed to a non-standard **120-acre** unit comprising the **NW/4 SW/4 and S/2 SW/4** of said Section 33, whereby its location will also be considered standard for a gas spacing and proration this size; and,
- (3) finally, the remaining **160 acres** comprising the **SE/4** of said Section 33 is to be simultaneously dedicated to the El Paso Tom Federal Well No. 6 in Unit "J", which is still considered a standard gas well location for this particular spacing unit, and to the proposed El Paso Tom Federal Well No. 8 to be drilled at a standard gas well location 660 feet from the South and East lines (Unit P) of said Section 33.

Our records currently indicate that the 440-acre unit is operated by Lanexco. If, at the time this order is issued, the operator of any of the three aforementioned units change, the operator of the new unit will be required to file the appropriate "change of operator forms" to the proper authorizing governmental agency. Also the operator of each unit shall file, within 20-days from the date of this order a new OCD Form C-102 with the Division and U. S. Bureau of Land Management reflecting the above-described acreage changes.

Division Administrative Order NSP-1661(SD)

Meridian Oil, Inc./Lanexco, Inc.

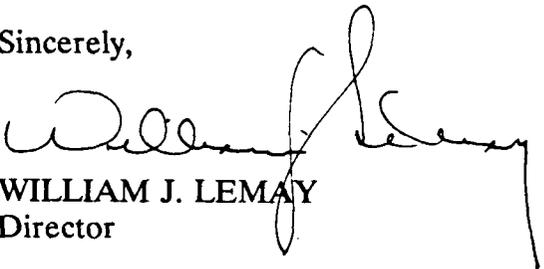
February 1, 1993

Page 3

By the authority granted me under the provisions of **Rule 2(a)4** of said Special Jalmat Pool Rules, the three above-described non-standard gas spacing and proration units in said Section 33 are hereby approved with allowables to be assigned thereto in accordance with **Rule 5** of said pool rules based upon its respective unit size. Also, Division Order Nos. R-687, R-6511, and R-6511-A are hereby placed in abeyance until further notice.

Furthermore, Division Administrative Order NSL-3172(SD), dated October 19, 1992, which order authorized the drilling of the El Paso Tom Federal Well No. 8 at an unorthodox gas well location, 660 feet from the South and East lines (Unit P) of said Section 8 in the original 440-acre non-standard gas spacing and proration unit and approved the simultaneous dedication of said acreage to the El Paso Tom Federal Well Nos. 5, 6, 7 and 8, is hereby rescinded on a permanent basis.

Sincerely,



WILLIAM J. LEMAY
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
U.S. Bureau of Land Management - Carlsbad
File: NSL-3172(SD)