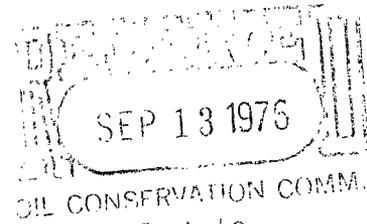


## BURLESON &amp; HUFF

OIL PROPERTIES  
 BOX 2479 - PHONE 683-4747  
 MIDLAND, TEXAS 79701  
 September 9, 1976



New Mexico Oil Conservation Commission  
 P. O. Box 2088  
 Santa Fe, New Mexico 87501

Re: Leonard Lease, E/2 SE/4 of Section 20,  
 Township 25 South, Range 37 East,  
 Lea County, New Mexico

Attn: Mr. Joe D. Ramey

Gentlemen:

On September 1, 1976 we plugged back and completed our No. 1 Leonard Well as a gas producer from the Yates - Seven Rivers formation in the Jalmat Gas Pool. The well is located 660 feet from the south and east lines of Section 20, T-25-S, R-37-E, Lea County. Our Leonard No. 2 well, located 660 feet from the east and 1980 feet from the south lines of said Section 20, is currently producing gas from this formation in the same gas pool, and both wells are located on the same base lease. The proration or spacing unit assigned to our Leonard No. 2 well has been previously established as and is a non-standard unit consisting of 80 acres described as the E/2 SE/4 of said Section 20. The Leonard No. 1 well is situated in this same spacing unit.

Plat showing the location of the wells with the present proration unit outlined in red is enclosed.

We hereby make application to the Commission for authority to simultaneously dedicate the E/2 SE/4 of said Section 20 as the proration unit for the Leonard No. 1 and Leonard No. 2 wells for the production of gas in the Jalmat Gas Pool.

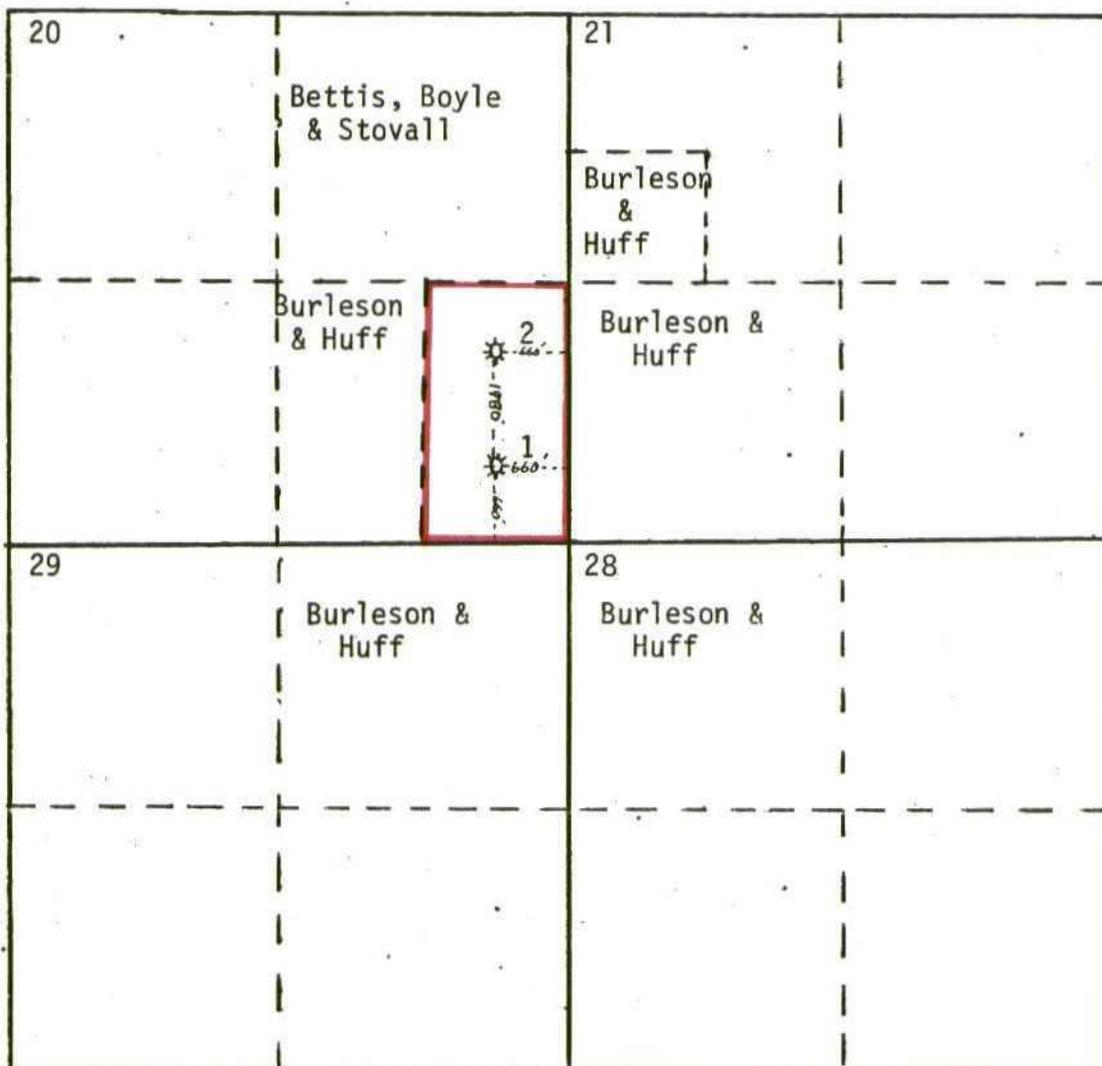
Copies of this application and plat has been sent to the off-setting operator, Bettis Boyle & Stovall  
 P. O. Box 1168  
 Graham, Texas 76046.

Yours very truly,

BURLESON & HUFF

  
 Jack Huff

JH/sw

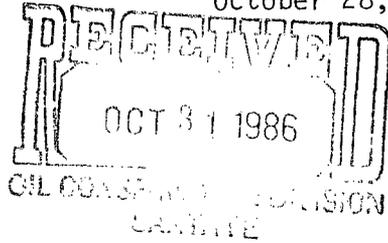


BURLESON & HUFF LEONARD LEASE  
 E/2 SE/4 of Section 20  
 Township 25 South, Range 37 East,  
 LEA COUNTY, NEW MEXICO

LEWIS B. BURLESON, INC.

OIL & GAS PROPERTIES

October 28, 1986



LEWIS B. BURLESON  
PRESIDENT

STEVEN L. BURLESON  
VICE-PRESIDENT

WAYNE JARVIS  
SUPERINTENDENT

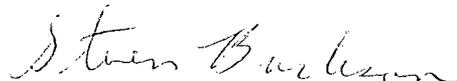
Mr. Michael Stogner  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87501

Re: Leonard No. 1  
Unit P, Sec. 20,  
T-25-S, R-37-E,  
Lea County, New Mexico

Dear Mr. Stogner:

We recently recompleted our Leonard # 2 well as a Jalmat oil well. Therefore we wish to contract the Leonard #1 proration unit to a 40 acre tract consisting of the SE/4SE/4 of Section 20, T-25-S, R-37-E, Lea County. Enclosed is a plat showing this new proration unit. If you have any questions please do not hesitate to contact me.

Yours very truly,

  
Steven Burleson

SLB:lr  
Enclosure

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

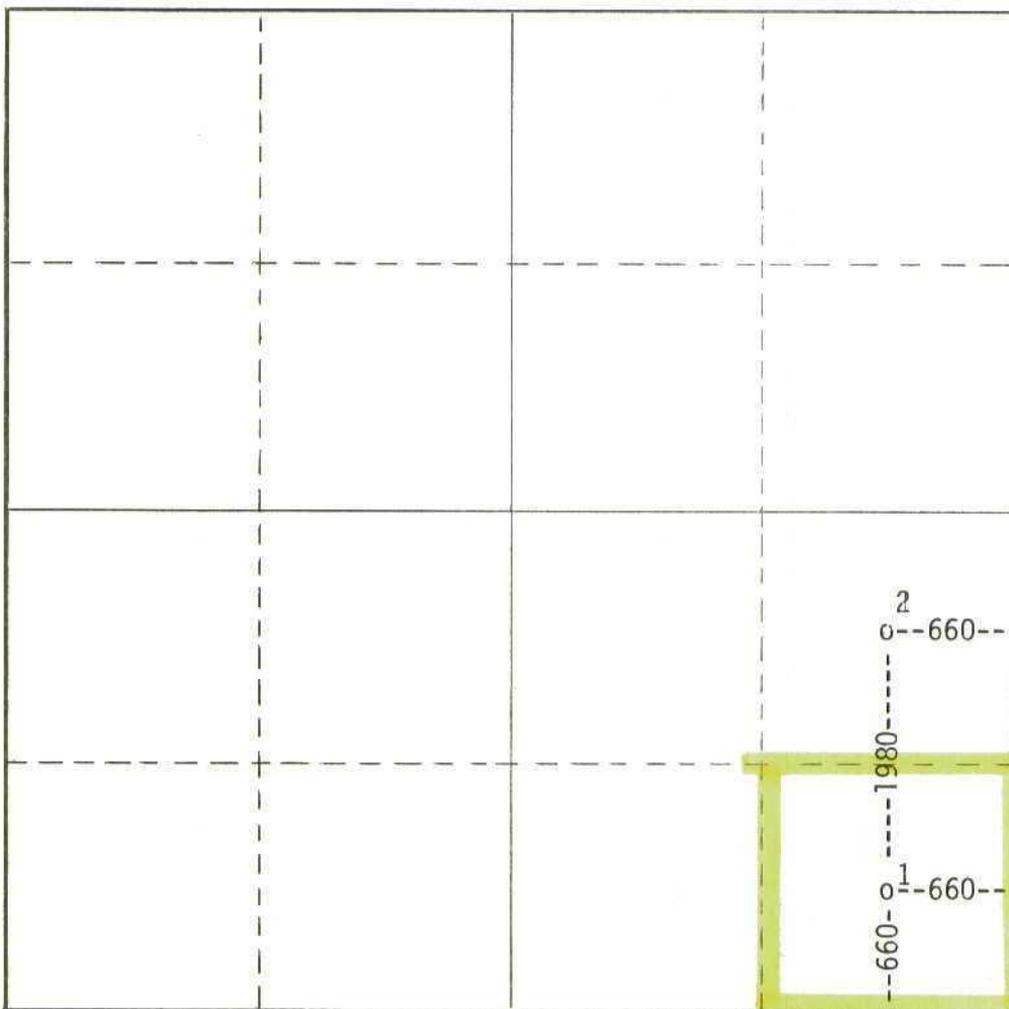
Operator <b>Lewis B. Burleson, Inc.</b>		Lease <b>Leonard</b>			Well No. <b>1</b>
Unit Letter <b>P</b>	Section <b>20</b>	Township <b>25-S</b>	Range <b>37-E</b>	County <b>Lea</b>	
Actual Footage Location of Well: <b>660'</b> feet from the <b>south</b> line and <b>660'</b> feet from the <b>east</b> line					
Ground Level Elev. <b>3042</b>	Producing Formation <b>Yates</b>		Pool <b>Jalmat</b>	Dedicated Acreage: <b>40</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Name  
*Sten Burleson*

Position  
**Vice President-Exploration**

Company  
**Lewis B. Burleson, Inc.**

Date  
**October 27, 1986**

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

Registered Professional Engineer and/or Land Surveyor

Certificate No.



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

November 4, 1986

TONY ANAYA  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Lewis B. Burleson, Inc.  
P. O. Box 2479  
Midland, Texas 79702

Attention: Steven Burleson

Re: Application for 40-acre non-standard  
gas proration unit.  
Leonard Well No. 1 P-20-T25S-R37E,  
Lea County, New Mexico

Dear Mr. Burleson,

Per your application dated October 28, 1986, please comply with the rules and procedures for such applications under Rule 2(a)4 of Order No. R-8170, see attached. Your 20 days will commence when the required notifications are sent out.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael E. Stogner", written over a horizontal line.

Michael E. Stogner  
Petroleum Engineer

MES/et

enclosure

- 2) Assigning an allowable to the non-standard GPU.

RULE 2(a)4 NON-STANDARD PRORATION UNIT APPROVAL  
PROCEDURE AT DIRECTOR LEVEL: The Director of the Division may grant an exception to the requirements of Rule 2(a)2 when the unorthodox size or shape of the GPU is necessitated by a variation in the legal subdivision of the U.S. Public Land Surveys and the non-standard GPU is less than 75% or more than 125% of a standard GPU, or where the following facts exist and the following provisions are complied with:

1) The non-standard GPU consists of quarter-quarter sections or lots that are contiguous by a common bordering side.

2) The non-standard GPU lies wholly within a governmental subdivision or subdivisions which would be a standard GPU for the well (quarter-section, half-section, or section) but contains less acreage than a standard GPU.

3) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the quarter-section, half-section, or section (for 160-acre, 320-acre, 640-acre standard dedications respectively) in which the non-standard GPU is situated and which acreage is not included in said non-standard GPU.

4) In lieu of Paragraph (3) of this rule, the applicant may furnish proof of the fact that all of the aforesaid offset operators were notified by registered or certified mail of his intent to form such non-standard GPU. The Director may approve the application if no such operator has entered an objection to the formation of such non-standard GPU within 20 days after Director has received the application.

RULE 2(b) WELL LOCATION: Each well drilled or completed on a spacing and proration unit governed by these rules, including approved non-standard GPUs, shall be located as provided below:

(1) NORTHWEST NEW MEXICO

STANDARD PRORATION UNIT

160 acres

LOCATION REQUIREMENTS

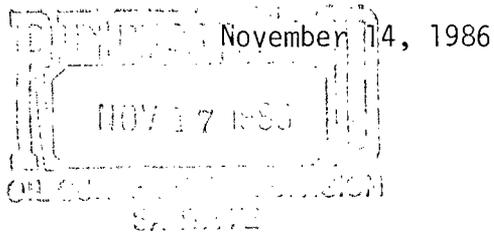
Not closer than 790 feet to the outer boundary of the tract, nor closer than 130 feet to any quarter-quarter

LEWIS B. BURLESON, INC.  
OIL & GAS PROPERTIES

LEWIS B. BURLESON  
PRESIDENT

STEVEN L. BURLESON  
VICE-PRESIDENT

WAYNE JARVIS  
SUPERINTENDENT



Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Michael Stogner

Dear Mr. Stogner:

This is our formal application to have NSP-1032 amended to reduce the acreage from 80 to 40 due to the reclassification of Leonard No. 2 to an oil well.

As shown on the attached plat Lewis B. Burleson, Inc. controls all of the offsetting acreage.

My signature below constitutes our approval of this unit as the Offset Operator.

Very truly yours,

Steven L. Burleson

SLB:lr  
Enclosures

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

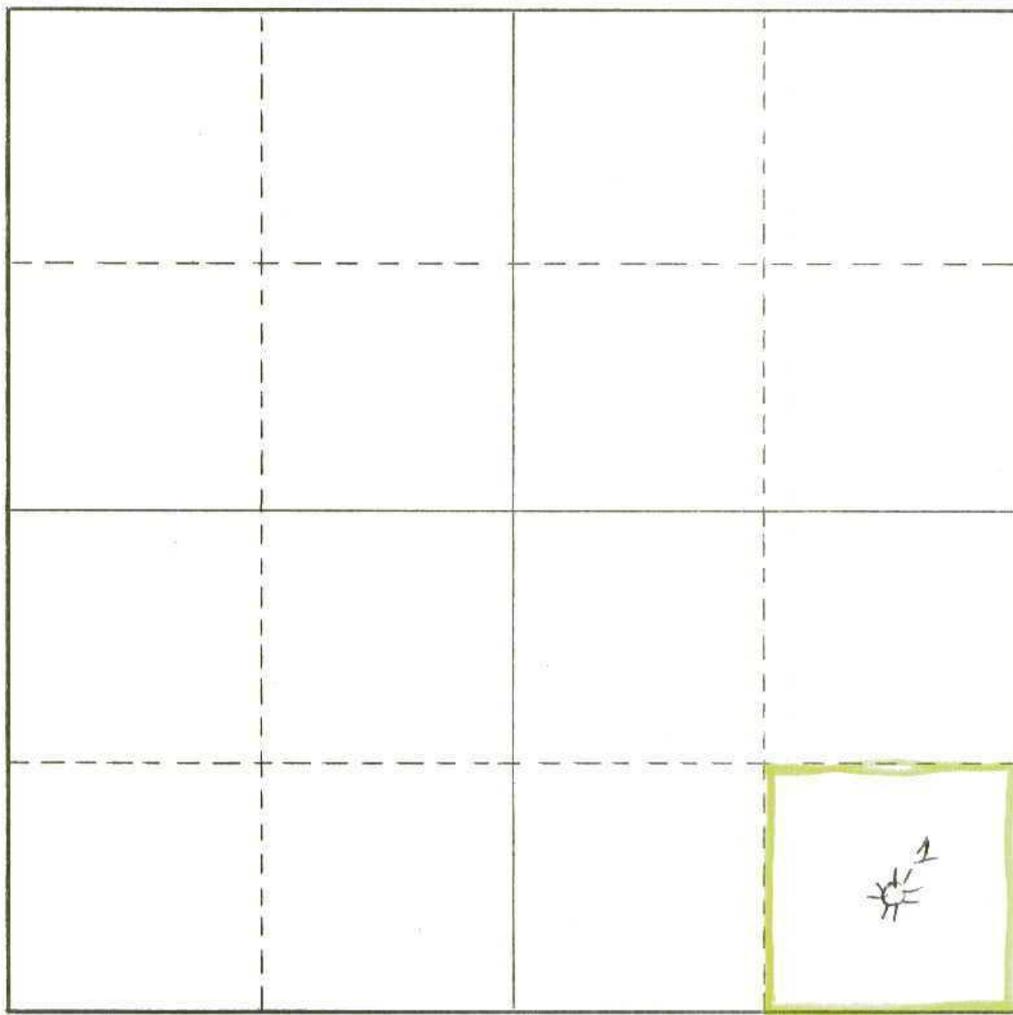
Operator <b>Lewis B. Burleson, Inc.</b>		Lease <b>Leonard</b>			Well No. <b>1</b>
Unit Letter <b>P</b>	Section <b>20</b>	Township <b>25-S</b>	Range <b>37-E</b>	County <b>Lea</b>	
Actual Footage Location of Well:					
<b>660</b> feet from the <b>South</b> line and		<b>660</b> feet from the <b>East</b> line			
Ground Level Elev. <b>3042</b>	Producing Formation <b>Yates</b>	Pool <b>Jalmat</b>	Dedicated Acreage: <b>40</b> Acres		

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CERTIFICATION

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

*Steven Burleson*  
Name

Steven Burleson  
Position  
Vice President

Lewis B. Burleson, Inc.  
Company

11/14/86  
Date

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

Registered Professional Engineer and/or Land Surveyor

Certificate No.

