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September 16, 2020

Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Request of Kaiser-Francis Oil Company to extend well commencement deadlines in two pooling orders

Ladies and gentlemen:

The following pooling orders were issued to Kaiser-Francis Oil Company ("KFOC") on September 11, 2019:

- 1. Order No. R-20852; Case No. 20288
  Well: Loving Townsite 2021 LBC Well No. 1H (API No. 30-015-45001)
  Well Unit: N/2SE/4 of Section 20 and N/2SW/4 of Section 21 (Exhibit A)
  Pool: Loving; Brushy Canyon, East Pool (Pool Code 40350)
- Order No. R-20853; Case No. 20289
   Well: Loving Townsite 2021 LBC Well No. 2H (API No. 30-015-45002)
   Well Unit: S/2SE/4 of Section 20 and S/2SW/4 of Section 21 (Exhibit B)
   Pool: Loving; Brushy Canyon, East Pool (Pool Code 40350)

All of the lands are in Township 23 South, Range 28 East, N.M.P.M.

Ordering Paragraph (4) in each of the above orders granted KFOC until September 30, 2020 to commence the wells. Pursuant to Ordering Paragraph (5) in each order, KFOC requests a one year extension of the well commencement deadlines, through September 30, 2021.

The reason for the extension request is as follows: Few horizontal Delaware wells have been drilled in New Mexico because their economics are not as good as for Bone Spring and Wolfcamp wells. Due to the current oil price and well cost uncertainty, the well's economics have deteriorated. KFOC requests the additional time to let oil prices stabilize and drilling costs to decline (as they have started doing).

Please let me know if any additional information is needed by the Division.

Very truly yours,

Attorney for Kaiser-Francis Oil Company

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1625 N. French Dr., Hobbs. NN 88240
Phone (575) 393-6161 Fax. (575) 393-0720
District.11
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1220 S. St., Francis Dr., Santa Fe., NM 87505
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State of New Mexical OIL CONSERVATION

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION 0 1 2018

Santa Fe, NM 87505

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Revised August 1, 2011 Submit one copy to appropriate

District Office

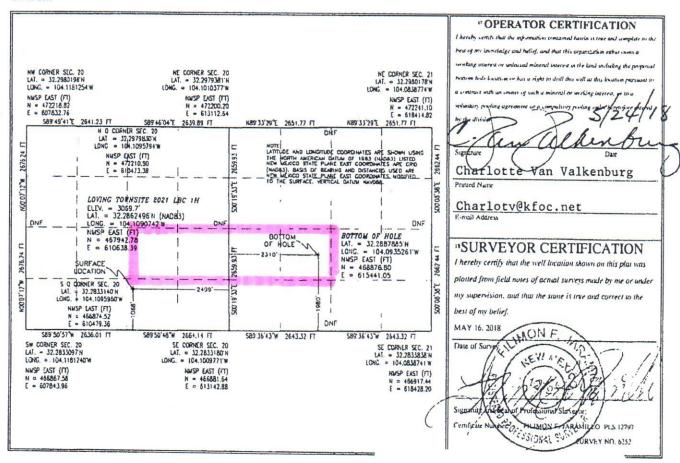
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	<sup>1</sup> Pool Code	! Poul Name			
30.015-45001	40350	Loving, East Brushy Canyon			
321474	Property Name LOVING TOWNSITE 2021 LBC				
'OGRID No. 12361	Operator Name KAISER-FRANCIS OIL COMPANY				

Surface Location UL or lot no. Section Township Lot Idn Runge Feet from the North/South line Feet from the East/West line County 0 20 23 S 28 E 1068 SOUTH 2400 EAST **EDDY** " Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Feet from the North/South line Feet from the Enst/West line County 21 23 S 28 E 1980 SOUTH 2310 WEST **EDDY** Dedicated Acres Joint or Infill Consulidation Code Order No. 160

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.





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State of New Mexico

Form C-102 Energy, Minerals & Natural Resources Department one copy to appropriate

OIL CONSERVATION DIVISION JUN 0 1 2018 1220 South St. Francis Dr.

District Office ☐ AMENDED REPORT

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WELL LOCATION AND ACREAGE DEDICATION PLAT

Santa Fe, NM 87505

30-015-45002	<sup>3</sup> Pool Code 40350	Loving, East Brushy Canyo	on		
321474	'Property Name LOVING TOWNSITE 2021 LBC				
OGRID No. 12361	Operator Name KAISER-FRANCIS OIL COMPANY				

					10 Surface	Location			
UL or lat no.	Section 20	Township 23 S	Range 28 E	Lot Idn	Feet from the 1028	North/South line SOUTH	Feet from the 2499	East/West line EAST	County EDDY
1400		-	" Bot	tom Hol	e Location I	Different From	m Surface		
UL or lot no.	Section 21	Township 23 S	Range 28 E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 2310	East/West line WEST	County EDDY
Dedicated Acres		r Infill  "C	onsolidation	Code 12 Or	der No.	_		•	

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.

