

P E D

Oil Corporation

November 6, 1995

State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Case 11439


Attention: Mr. William J. LeMay Director

Gentlemen:

PED Oil Corporation of Midland, Texas intends to re-enter the Conoco Mescalero Federal No. 1 as per attached data. Upon intensive evaluation of well data & 3-D Seismic data, PED respectfully requests permission to directionally deviate the current wellbore North 81 degrees West for a distance of 860' to penetrate the Devonian formation in a more favorable structural position.

PED Oil Corporation will comply with all stipulations in any order issued by the Director in this regard.

Very Truly Yours,


Michael L. Guss
Vice President



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> Re-Enter PLUG BACK <input checked="" type="checkbox"/>		5. LEASE DENOMINATION AND SERIAL NO. NM 60052
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR P E D Oil Corporation		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR P. O. Drawer 3547, Midland, TX 79702		8. FARM OR LEASE NAME Mescalero Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980'/NL, 1980'/WL At proposed prod. zone 1845'/NL, 1131'/WL		9. WELL NO. 1
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 28 miles NE of Dexter, NM		10. FIELD AND POOL, OR WILDCAT Graham Springs Devonian
18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1130.6'	19. NO. OF ACRES IN LEASE 40	11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA Section 11, T-12-S, R-30-E
19. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1205.55' xx	20. PROPOSED DEPTH 10,400'	12. COUNTY OR PARISH 13. STATE Chaves NM
21. ELEVATIONS (Show whether DF, RT, GR, etc.) GL 4003'		17. NO. OF ACRES ASSIGNED TO THIS WELL 40
22. APPROX. DATE WORK WILL START* November 27, 1995		20. ROTARY OR CABLE TOOLS Rotary

PROPOSED CASING AND CEMENTING PROGRAM


HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
16	13-3/8	48	NA	ST&C	429	350 SXS
12-1/4	9-5/8	36	K-55	LT&C	4300	2113 SXS
8-3/4-7-7/8	5-1/2	17	N-80 -, K-55	LT&C	10315	500 SXS

It is proposed to re-enter this well, drill out cement plugs and clean out to approximately 7600'+, if necessary, a 150' cement plug will be set to kick off well bore directionally N 81°W, drilling a 7-7/8" OD hole, to a controlled distance of approximately 860'. If the Devonian formation is productive, production casing will be set and the pay zone stimulated as necessary.

See attachments for: Supplemental Drilling & Directional Data
Surface Use and Operations Plant
BOP Sketch

XX Culp Ranch No. 1 is permanently abandoned in the Devonian and is being held for possible salt water disposal well.

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  TITLE Vice President DATE 10/25/95

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102
Superseded O-128
Effective 1-1-85

All distances must be from the outer boundaries of the Section

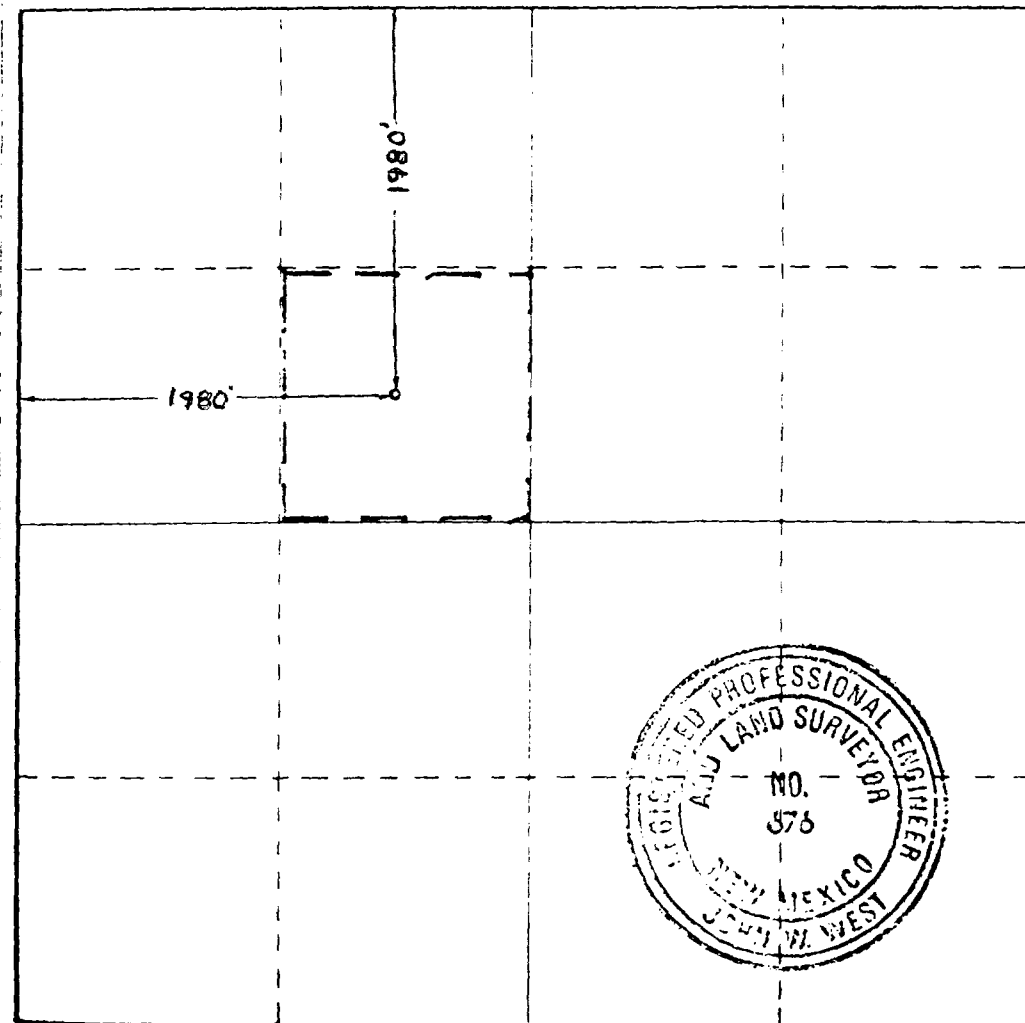
Section		Township		Range		County	
12		12S		10E		CHAVES	
Producing Formation: Devonian							
Dedicated Acreage: 40 Acres							

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.

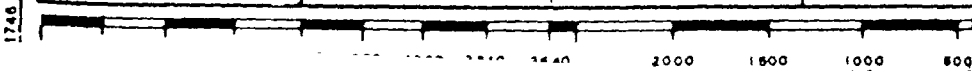
Name _____
 Position **Administrative Supervisor**
 Company **CONOCO Inc.**
 Date **11-14-85**

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.

John W. West
 Date Surveyed **11/01/85**

Registered Professional Engineer and/or Land Surveyor

John W. West
 Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239



<p>U.S.</p> <p>D.B. Mellville 3-1-93 35995</p> <p>Yates Pet. et al 2-1-96 64494</p> <p>R.G. Volkman 12-1-97 69591</p> <p>R.G. Volkman 12-1-97 69591</p> <p>Yates Pet. 1-1-93 17031 1288</p> <p>Yates Pet. 3-1-97 88149 702</p> <p>U.S.</p> <p>34</p>	<p>U.S.</p> <p>Yates Pet. et al 1-1-93 V 2505 4521</p> <p>U.S.</p> <p>35</p>	<p>U.S.</p> <p>Yates Pet. et al 1-1-93 V 2505 4521</p> <p>U.S.</p> <p>36</p>	<p>U.S.</p> <p>Yates Pet. et al 2-1-94 V-2826 2613</p> <p>U.S.</p> <p>31</p>	<p>U.S.</p> <p>Yates Pet. et al 2-1-94 V-2826 2613</p> <p>U.S.</p> <p>32</p>
<p>U.S.</p> <p>Bell, Foy & Middlebrook 4-1-94 57266</p> <p>U.S.</p> <p>3</p>	<p>U.S.</p> <p>Samedan 2-1-96 V.3570 4176</p> <p>U.S.</p> <p>2</p>	<p>U.S.</p> <p>Samedan 2-1-96 V.3570 4176</p> <p>U.S.</p> <p>2</p>	<p>U.S.</p> <p>Samedan 7-1-95 61354</p> <p>U.S.</p> <p>6</p>	<p>U.S.</p> <p>Samedan 7-1-95 61354</p> <p>U.S.</p> <p>6</p>
<p>U.S.</p> <p>Samedan 3-4-109 3/1/95</p> <p>U.S.</p> <p>10</p>	<p>U.S.</p> <p>Samedan 3-4-109 3/1/95</p> <p>U.S.</p> <p>10</p>	<p>U.S.</p> <p>Samedan 3-4-109 3/1/95</p> <p>U.S.</p> <p>12</p>	<p>U.S.</p> <p>Samedan 7-1-95 61354</p> <p>U.S.</p> <p>7</p>	<p>U.S.</p> <p>Samedan 7-1-95 61354</p> <p>U.S.</p> <p>7</p>
<p>U.S.</p> <p>No. Mich. Exp. et al Depco 11-1-87 44311</p> <p>U.S.</p> <p>15</p>	<p>U.S.</p> <p>Penwell Ener. 5-31-91 44311</p> <p>U.S.</p> <p>14</p>	<p>U.S.</p> <p>Samedan 3-1-95 60052</p> <p>U.S.</p> <p>13</p>	<p>U.S.</p> <p>Samedan 7-1-95 61354</p> <p>U.S.</p> <p>18</p>	<p>U.S.</p> <p>Samedan 7-1-95 61354</p> <p>U.S.</p> <p>18</p>
<p>U.S.</p> <p>Yates Pet. 88150 302</p> <p>U.S.</p> <p>22</p>	<p>U.S.</p> <p>Samedan 4-1-93 54870</p> <p>U.S.</p> <p>23</p>	<p>U.S.</p> <p>Chevron 4-1-93 54872</p> <p>U.S.</p> <p>24</p>	<p>U.S.</p> <p>Amoco L-725</p> <p>U.S.</p> <p>19</p>	<p>U.S.</p> <p>Burk Roy 1/2 Bison Pet. 102712</p> <p>U.S.</p> <p>20</p>
<p>U.S.</p> <p>(E.R. Hudson Jr. et al) Pet. Dev Corp. et al 3286</p> <p>U.S.</p> <p>27</p>	<p>U.S.</p> <p>Read & Stevens HBP 054926</p> <p>U.S.</p> <p>26</p>	<p>U.S.</p> <p>Read & Stevens HBP 054</p> <p>U.S.</p> <p>26</p>	<p>U.S.</p> <p>Westway Pet. HBP 054</p> <p>U.S.</p> <p>19</p>	<p>U.S.</p> <p>Frostman Oil (Yates Dr. g. et al)</p> <p>U.S.</p> <p>20</p>

LAND PLAT

CULP RANCH PROSPECT

CHAVES COUNTY, NEW MEXICO

MESCALERO SANDS

MIDLAND MAP

Handwritten notes:
Samedan
60052
3-4-109
3/1/95
Samedan
7-1-95
61354

O'Brien, Gains & Simpson
84723
4082

Reading & Bates
E.S. Mayer, Jr. et al
(to Glor. Form)

New Mex. Oil
1-1-80
10905
HBP

Frostman Oil
(Yates Dr. g. et al)

Reading & Bates

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFICE FOR RECORDS
OF COPIES REQUIRED
(Other instructions on re-
verse side)

Modified Form No.

NM50-3160-4

5. LEASE DESIGNATION AND SERIAL NO.

NM 60052

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR P E D Oil Corporation		3a. Area Code & Phone No. 915/684-5741	8. FARM OR LEASE NAME Mescalero Federal
3. ADDRESS OF OPERATOR P. O. Drawer 3547, Midland, TX 79702		9. WELL NO. 1	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1980'/NL, 1980'/WL		10. FIELD AND POOL, OR WILDCAT Graham Springs Devonian	
14. PERMIT NO.		15. ELEVATIONS (Show whether DP, RT, CR, etc.) GL 4003'	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 11, T-12-S, R-30-E
		12. COUNTY OR PARISH Chaves	18. STATE NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
(Other) Transfer of Ownership <input checked="" type="checkbox"/>	

SUBSEQUENT REPORT OF:

WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
(Other) <input type="checkbox"/>	

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

P E D Oil Corporation acquired ownership of subject well from Samedan Oil Corporation on October 1, 1995.

18. I hereby certify that the foregoing is true and correct

SIGNED Michael L. Guss TITLE Vice President DATE 10/25/95

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

EXHIBIT "A"

Attached to and made a part of that certain SALE AGREEMENT dated September 29, 1995 by and between SAMEDAN OIL CORPORATION and P E D OIL CORPORATION.

Lease #: 3-4-108
Lessor: USA NM-60052
Lessee: Martha P. Buchanan
Date: March 1, 1985
Net/Gross Acres: 640/640
Rental: \$640.00
Description: All of Section II, T12S-R30E,
Chaves County, New Mexico

Lease #:: 3-4-112
Lessor: State of New Mexico V-3570
Lessee: Samedan Oil Corporation
Date: February 1, 1991
Net/Gross Acres: 359.25/359.25
Rental: \$179.63
Description: Lots 3 and 4, SE/4 NE/4, S/2 NW/4, W/2 SW/4,
NW/4 SE/4, SE/4 SE/4 of Section 2, T12S-R30E,
Chaves County, New Mexico

Lease #: 3-4-113
Lessor: State of New Mexico V-3715
Lessee: Samedan Oil Corporation
Date: May 1, 1991
Net/Gross Acres: 279.91/279.91
Rental: \$139.96
Description: Lots 1 and 2, SW/4 NE/4, E/2 SW/4, NE/4 SE/4,
SW/4 SE/4 of Section 2, T12S-R30E,
Chaves County, New Mexico

Lease #: 3-4-124
Lessor: USA NM-70516
Date: March 1, 1988
Net/Gross Acres: 31.85/31.85
Rental: N/A
Description: 10.511 mile right of way more fully described in
document

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

1130
 9

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
		28410		Graham Springs, Devonian	
Property Code		Property Name			Well Number
009895		Mescalero Federal			1
OGRID No.		Operator Name			Elevation
149142		PED Oil Corporation			4003' GL

¹⁰ Surface Location

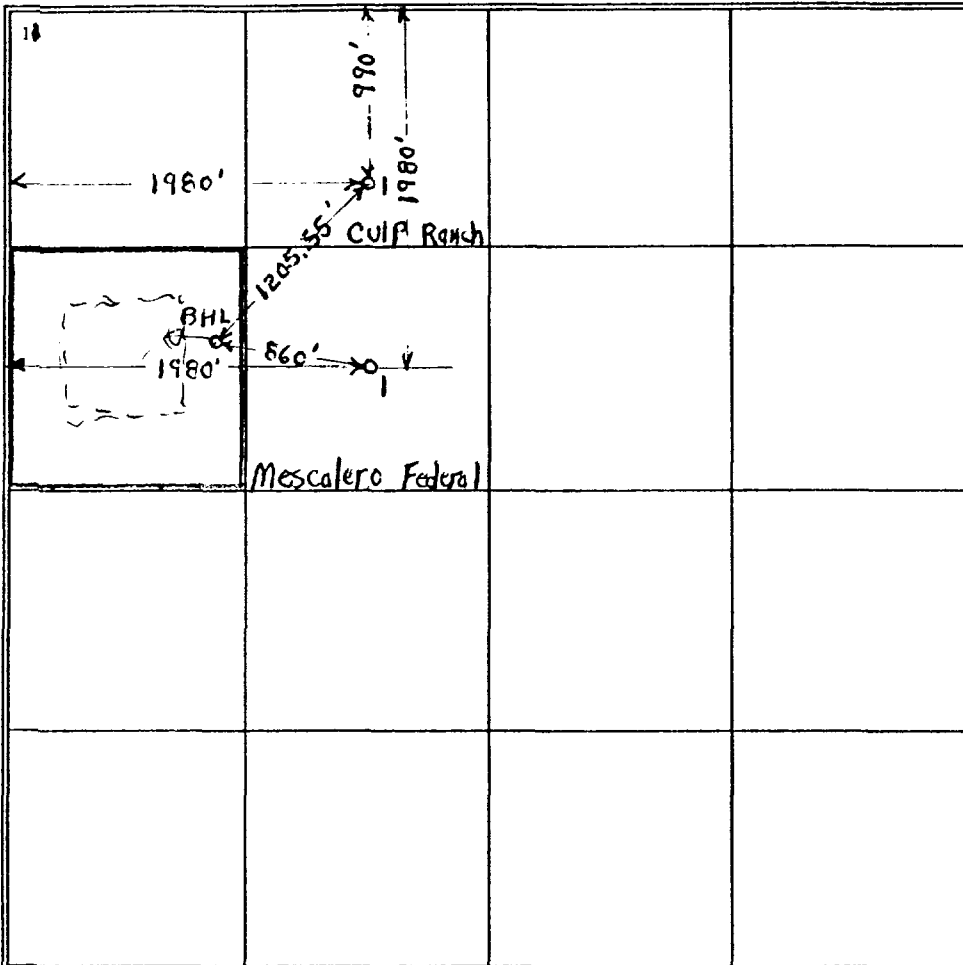
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	11	12 S	30 E		1980	North	1980	West	Chaves

¹¹ 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
E	11	12 S	30 E		1845.5	North	1130.6	West	Chaves

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
40			

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



¹⁷ OPERATOR CERTIFICATION

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

Michael L. Guss
 Signature
 Michael L. Guss
 Printed Name
 Vice President
 Title
 11/6/95
 Date

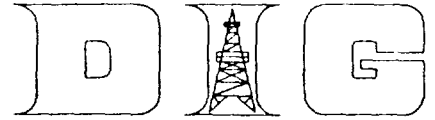
¹⁸ SURVEYOR CERTIFICATION

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.

 Date of Survey
 Signature and Seal of Professional Surveyer:

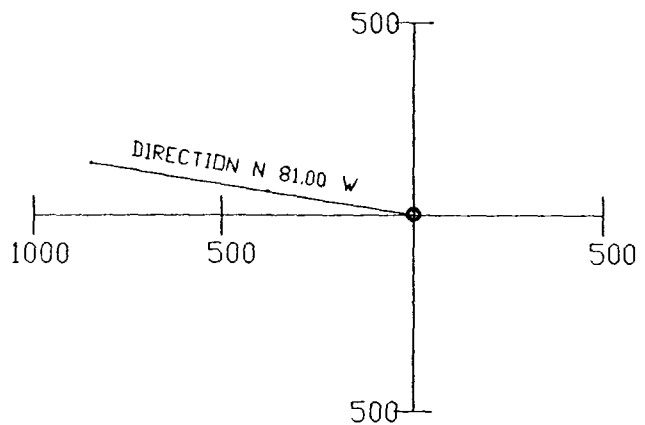
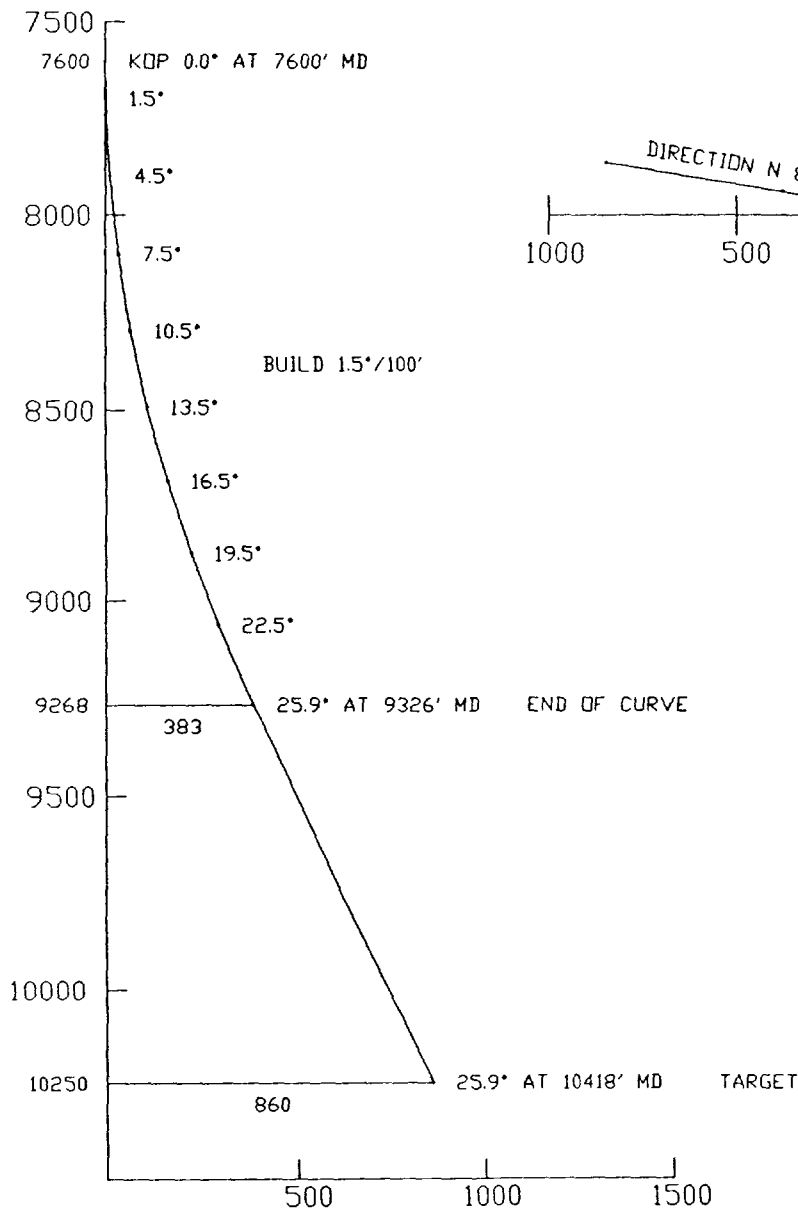
 Certificate Number

P.E.D. OIL CORPORATION
 CHAVES COUNTY RE-ENTRY



VERTICAL SECTION
 SCALE: 500 FEET/DIVISION
 REFERENCE: WELL HEAD

HORIZONTAL PLAN
 SCALE: 500 FEET/DIVISION
 REFERENCE: WELL HEAD



VERTICAL SECTION PLANE: N 81.00 W

D.I.G., INC.

P.E.D. OIL CORPORATION
CHAVES COUNTY RE-ENTRY

Calculated by Minimum Curvature Method
Vert Sect Plane: N 81.00 W

- DIRECTIONAL WELLPLAN -

MEASURED DEPTH (FT)	INCL ANGLE (DEG)	D R I F T DIRECTION (DEG)	COURSE LENGTH (FT)	TRUE VERTICAL DEPTH	T O T A L RECTANGULAR COORDINATES (FT)		VERTICAL SECTION (FT)	C L O S U R E DISTANCE DIRECTION (FT) (DEG)		DOGLEG SEVERITY (DG/100')
7600.00	0.00	N 0.00 E	0.00	7600.00	0.00	N 0.00 E	0.00	0.00	N 0.00 E	0.00
7700.00	1.50	N 81.00 W	100.00	7699.99	0.20	N 1.29 W	1.31	1.31	N 81.00 W	1.50
7800.00	3.00	N 81.00 W	100.00	7799.91	0.82	N 5.17 W	5.23	5.23	N 81.00 W	1.50
7900.00	4.50	N 81.00 W	100.00	7899.69	1.84	N 11.63 W	11.77	11.77	N 81.00 W	1.50
8000.00	6.00	N 81.00 W	100.00	7999.27	3.27	N 20.67 W	20.92	20.92	N 81.00 W	1.50
8100.00	7.50	N 81.00 W	100.00	8098.57	5.11	N 32.28 W	32.68	32.68	N 81.00 W	1.50
8200.00	9.00	N 81.00 W	100.00	8197.54	7.36	N 46.45 W	47.03	47.03	N 81.00 W	1.50
8300.00	10.50	N 81.00 W	100.00	8296.09	10.01	N 63.17 W	63.96	63.96	N 81.00 W	1.50
8400.00	12.00	N 81.00 W	100.00	8394.16	13.06	N 82.44 W	83.47	83.47	N 81.00 W	1.50
8500.00	13.50	N 81.00 W	100.00	8491.70	16.51	N 104.24 W	105.54	105.54	N 81.00 W	1.50
8600.00	15.00	N 81.00 W	100.00	8588.62	20.36	N 128.55 W	130.15	130.15	N 81.00 W	1.50
8700.00	16.50	N 81.00 W	100.00	8684.86	24.61	N 155.36 W	157.30	157.30	N 81.00 W	1.50
8800.00	18.00	N 81.00 W	100.00	8780.36	29.25	N 184.65 W	186.95	186.95	N 81.00 W	1.50
8900.00	19.50	N 81.00 W	100.00	8875.05	34.27	N 216.40 W	219.09	219.09	N 81.00 W	1.50
9000.00	21.00	N 81.00 W	100.00	8968.86	39.69	N 250.58 W	253.70	253.70	N 81.00 W	1.50
9100.00	22.50	N 81.00 W	100.00	9061.74	45.48	N 287.18 W	290.76	290.76	N 81.00 W	1.50
9200.00	24.00	N 81.00 W	100.00	9153.62	51.66	N 326.17 W	330.23	330.23	N 81.00 W	1.50
9300.00	25.50	N 81.00 W	100.00	9244.43	58.21	N 367.52 W	372.10	372.10	N 81.00 W	1.50
END OF CURVE										
9325.81	25.89	N 81.00 W	25.81	9267.69	59.96	N 378.57 W	383.29	383.29	N 81.00 W	1.50
TARGET										
10417.68	25.89	N 81.00 W	1091.87	10250.00	134.53	N 849.41 W	860.00	860.00	N 81.00 W	0.00



CHAVES

SEC 11 - 12S - 30E

Schlumberger		COMPENSATED NEUTRON LITHO DENSITY	
COMPANY CONOCO INC.			
WELL Mescalero Federal No. 1			
FIELD WILDCAT			
COUNTY CHAVES STATE NEW MEXICO			
1989' FNL & 1989' FNL		Other Services	
APL SERIAL NO SEC TRIP RANGE		DLL/MSFL EPT MGT BMC LSS	
11 12-5 30-E			

Permanent Datum: G.L.	Elev: 9293	Elev: K.R. 4922
Log Measured From: K.R.	12 ft. Above Perm. Datum	D.F. 4922
Drilling Measured From: K.R.		G.L. 4922

Date	1-24-86	10-3-86			
Run No.	ONE	TWO			
Depth-Driller	4300	10354			
Depth-Logger	4297	10420			
Blm. Log Interval	4296	10417			
Top Log Interval	500	4295			
Casing-Driller	12 3/8 @ 500	9 3/4 @ 4297			
Casing-Logger	500	4295			
Bit Size	12 1/4	9 3/4			
Type Fluid in Hole	BRINE	MEAS KLA & 225			
Dens. Visc.	10.1 35	10.0 65.0			
pH Fluid Loss	7 10 ml	9.2 ml			
Source of Sample	TANK	MUD PIT			
Rm @ Meas. Temp.	.085 @ 60°F	.082 @ 74°F			
Rml @ Meas. Temp.	.064 @ 60°F	.057 @ 74°F			
Rmc @ Meas. Temp.		.091 @ 73°F			
Source: Rml Rmc		MEAS MEAS			
Rm @ BHT	.049 @ 110°F	.031 @ 155°F			
Circulation Stopped		0030			
Logger on Bottom	1130	1230			
Max. Rec. Temp.	110	155			
Equip. Location	R185 RSWL	R185 RSWL			
Recorded By	FRISON	MILLER			
Witnessed By	MC CARTY	MC CARTY			

REPRODUCED BY
Petroleum Information

MIDLAND, TEXAS 79701



REFERENCE Y 6612L

COMPLETION RECORD

SPUD DATE _____

COMP DATE _____

DST RECORD _____

API NO. 30-005-21052

CASING RECORD _____

PERFORATING RECORD _____

ACID FRAC SHOT _____

I P _____

GOR GR _____

T P C P _____

REMARKS _____



REPRODUCTION FOR RESALE IN WHOLE OR PART PROHIBITED

RUN NO	ONE	TWO				
Service Order No.	484622	437696			Type Log	Depth
Program Tape No.	26.2	26.2				
Fluid level						

REMARKS: Run 2

THE COMPENSATED NEUTRON TOOL IS ECCENTRALIZED BY A BOWSPRING

P E D

Oil Corporation

November 6, 1995

Bureau of Land Management
1717 West Second Street
Roswell, New Mexico 88201-2019

RE: Directional drilling
PED Oil Corporation
Mescalero Federal No. 1
1980'/NL, 1980'/WL
Section 11, T-12-S, R-30-E
Chaves County, NM

Gentlemen:

Enclosed please find a copy of an application to the New Mexico Conservation Director requesting permission to directionally re-drill the lower portion of subject wellbore to penetrate the Devonian formation up structure, from the existing wellbore.

As offset owner of minerals to the proposed well deviation, if you do not object to this directional proposal please execute your approval or disapproval & return one copy of this letter to:

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

Attention: Mr. William J. LeMay Director

Approval: _____

Disapprove: _____


By: _____

By: _____

Date: _____

Date: _____

Very Truly Yours,


Michael L. Guss
Vice President



<p>U.S.</p> <p>D.B. Mellville 5-1-95 55955</p> <p>Yates 2-1-96 64494</p> <p>R.G. Volkmann 12-1-97 69591</p> <p>Yates Pet. 12-1-97 77031 1228</p> <p>34</p> <p>U.S.</p>	<p>U.S.</p> <p>R.G. Volkmann 12-1-97 69591</p> <p>Yates Pet. 12-1-97 77031 1228</p> <p>35</p> <p>U.S.</p>	<p>U.S.</p> <p>Yates Pet. et al 1-1-93 V. 7505 4521</p> <p>36</p> <p>State</p>	<p>U.S.</p> <p>Yates Pet. et al 2-1-94 V. 2876 2613</p> <p>31</p> <p>U.S.</p>	<p>Corey S.</p> <p>Yates Pet. et al 2-1-94 V. 2876 2613</p> <p>32</p> <p>State</p>
<p>11-1-94 57266</p> <p>3-4-107 4/1/94</p> <p>3</p> <p>U.S.</p>	<p>3-4-112 2/1/98</p> <p>2</p> <p>State</p>	<p>WE. Jeffers 6-1-96 65650</p> <p>3-4-105 7/1/95</p> <p>U.S.</p>	<p>3-4-105 7/1/95</p> <p>6</p> <p>U.S.</p>	<p>Effie Meroney 5</p> <p>E.C. Ruckstuhl 5-1-98 70894</p> <p>U.S.</p>
<p>3-4-109 3/1/95</p> <p>10</p> <p>U.S.</p>	<p>3-4-108 3/1/95</p> <p>U.S.</p>	<p>3-4-109 3/1/95</p> <p>12</p> <p>U.S.</p>	<p>3-4-105 7/1/95</p> <p>7</p> <p>U.S.</p>	<p>8</p> <p>U.S.</p>
<p>15</p> <p>U.S.</p>	<p>14</p> <p>U.S.</p>	<p>13</p> <p>U.S.</p>	<p>18</p> <p>U.S.</p>	<p>17</p> <p>U.S.</p>
<p>22</p> <p>U.S.</p>	<p>23</p> <p>U.S.</p>	<p>24</p> <p>U.S.</p>	<p>19</p> <p>U.S.</p>	<p>20</p> <p>U.S.</p>
<p>27</p> <p>U.S.</p>	<p>26</p> <p>U.S.</p>	<p>25</p> <p>U.S.</p>	<p>21</p> <p>U.S.</p>	<p>20</p> <p>U.S.</p>

HAM SPRINGS

CHAVES SE

LAND PLAT

CULP RANCH PROSPECT

CHAVES COUNTY, NEW MEXICO

MESCALERO SANDS

MIDLAND MAP

O'Brien, Gains & Simeon

McMinn, Inc State

(E.R. Hudson, Jr. et al) Pat. Dev Corp. et al 3286

Read & Stevens HBP 054926

Read & Stevens HBP 054

Yates Pet. et al 1-1-94 85917 2028

Frostman Oil (Yates Dr:ig. et al) 17

Yates Pet. (Estelle Yates)

Estelle Yates

McClellan Oil 1-1-95

Yates Pet. 1-1-95

Reading & Bates

P E D

Oil Corporation

November 6, 1995

Bureau of Land Management
1717 West Second Street
Roswell, New Mexico 88201-2019

RE: Directional drilling
PED Oil Corporation
Mescalero Federal No. 1
1980'/NL, 1980'/WL
Section 11, T-12-S, R-30-E
Chaves County, NM

Gentlemen:

Enclosed please find a copy of an application to the New Mexico Conservation Director requesting permission to directionally re-drill the lower portion of subject wellbore to penetrate the Devonain formation up structure, from the existing wellbore.

As offset owner of minerals to the proposed well deviation, if you do not object to this directional proposal please execute your approval or disapproval & return one copy of this letter to:

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

Attention: Mr. William J. LeMay Director

Approval: _____

Disapprove: _____

By: _____

By: _____

Date: _____

Date: _____

Very Truly Yours,



Michael L. Guss
Vice President

