P. S. Welch Gil Producer and Operator Artesia, N. M.

APRIL IO, I96I

Care 2262

New Mexico Oil Conservation Commission Santa Fe. New Mexico

ATTENTION: MR. PORTER

Cultimate

GENTLEMEN:

I AM WRITING FOR PERMISSION TO DRILL AN UNORTHODOX LOCATION AS SHOWN BY THE ENCLOSED MAP. THIS WILL BE A YATES WELL TO AN APPROXIMATE DEPTH OF 2600 FEET. ALL WELLS SHOWN ON THIS MAP ARE DRILLED WITH CABLE TOOLS.

Iverson & Welch are the owners of the Shugart A Lease covering the S/2 of Section 29-I8S-3IE. Chambers & Kennedy and Westwater & Associates have the N/2 of Section 32-I8S-32E joing Iverson & Welch on the South.

Our No. I-A well in the SW SW of Section 29 is producing from approximately 3600 feet and in this well we found No Yates pay. Our No. 2-A well in the SE SW is producing from approximately 3600 feet but we did find a fairly good Yates section. Our No. 3-A in the SW SE is producing from the Yates.

ALL OF THE WELLS IN THE N/2 OF SECTION 32 ARE DUAL COMPLETED AND PRODUCING FROM BOTH THE YATES AND QUEEN.

IT IS DIFFICULT TO PRODUCE A PUMPING WELL WITH A PACKER
AND AS THESE WELLS ALL HAVE TO BE PUMPED IT IS NOT VERY PRACTICAL
TO TRY TO DUAL COMPLETE AS THERE IS ENTIRELY TOO MUCH WELL
SERVICING COST.

Therefore, am asking for permission to drill a well 330 feet North of the South line and 250 feet Nest of the East line of the SN/4 of Section 29 as shown on the enclosed map.

There is a pipe line right-of-way running just west of our No. 2 well which would make it necessary for us to move at least I30 feet west which I am rather reluctant to do as we would be going 2I0 feet closer to a Yates dry hole.

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Mr. Armstrong suggested that I write you requesting an administrative order and I would appreciate it very much if you would advise if there are any further requirements.

YOURS VERY TRULY

V. S. WELCH