FRANKLIN, ASTON & FAIR, INC.

HIL PRUBUUERS P. D. BOX 1090 101 N. MIBBOURI AVE, ROBWELL, NEW MEXICO 88201

TELEPHONE: AREA CODE 505 622-2040 R. R. ASTON

TOM P. STEPHENS Executive vice president Treasuren

May 29, 1967

LADORA LHOAS VIUE FREEHINGF

RICHARD L. RAY Vige president

MARY ANN MORRISON SECRETARY

Mr. Ernest Closuit Murchison & Closuit 1019 Fort Worth National Bank Building Fort Worth, Texas

> Re: Grayburg-Jackson Pool Eddy County, New Mexico Expansion Sinclair Keel-West Waterflood Project

Dear Mr. Closuit:

In reference to our telephone conversation of this date, I request that you indicate your willingness for Franklin, Aston & Fair, Inc. to drill an unorthodox well to be used for injection of water under the above referred to waterflood. This injection well would be drilled to a depth of approximately 3,500 feet or sufficient to allow injection of water into the Grayburg-Jackson formation.

The location of the injection well would be 1160'FWL and 2480' FNL of Section 17, Township 17 South, Range 31 East, Eddy County, New Mexico.

This well would be a diagonal northwest offset to your property in the $NE_4^{\frac{1}{4}}SW_4^{\frac{1}{4}}$ of Section 17, Township 17 South, Range 31 East. It is my understanding that your wells in this area are presently cased through the Grayburg zone and are producing from the San Andres formation.

I request that you indicate your approval to the drilling of this unorthodox injection well in the location indicated above. Your signature in the space provided below will indicate your compliance with this request.

Thanking you for your cooperation in this matter, I remain,

Sincerely yours,

FRANKLIN, ASTON & FAIR, INC.

By: R. R. Aston

HUBSHISON & CLOSUIT	
By:	<u> </u>

BEFORE EXAMINER UTZ
CIL CONSERVATION COMMISSION
EXHIBIT NO.
CASE NO

Sunray DX Oil Company

District Office



P. O. Box 1416 Roswell, New Mexico June 1, 1967

Franklin Aston & Fair, Inc. P. O. Box 1090 Roswell, New Mexico

> Re: Unorthodox Injection Well Location 2480' FNL & 1160' FWL, Section 17, T-17-S, R-29-E, Grayburg Jackson Field, Eddy County, New Mexico.

Gentlemen:

Sunray DX Oil Company has been notified of your plans to drill a water injection well at an unorthodox location of 2480' FNL and 1160' FWL of Section 17, T-17-S, R-29-E, Eddy County, New Mexico.

Sunray DX Oil Company is in agreement with statewide spacing rules and therefore opposed to the drilling of wells at unorthodox locations unless there is a specific and valid reason for so doing. These reasons would include such things as adverse topographic conditions or the recompletion of wells previously drilled to other horizons.

Since the royalty interest is the same underlying your lease and ours, Sunray DX Oil Company as an offset operator would offer no formal objection to your proposed location. We do feel however, that due to the standard locations of the two injection wells offsetting your lease a point is being stretched somewhat in requesting the proposed exception.

Sincerely,

SUNRAY DX OIL COMPANY

C. T. McClanahan Roswell District Production Manager

CTM:JBH:sk cc: E. H. Ramsey

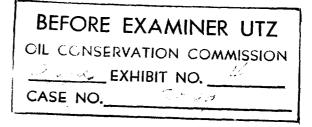


EXHIBIT 5.



UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY P. O. Drawer U Artesia, New Mexico 88210

June 19, 1967

Franklin, Aston, and Fair, Inc. Post Office Box 1090 Roswell, New Mexico 88201

Gentlemen:

Your letter of June 14, 1967, requests approval to operate a waterflood project of the Grayburg-San Andres formation in the Grayburg-Jackson pool on that portion of Oil and Gas lease Las Cruces 054908 described as follows:

T. 17 S., R. 31 E., N.M.P.M., Eddy County, New Mexico

sec. 17: $W_2^1 N W_4^1$ sec. 18: $E_2^1 N E_4^1$

You propose to convert well No. 1, located in $NE_{4}^{1}NE_{4}^{1}$ sec. 18 to water injection and to drill No. 5 as a water injection well located in the $SW_{4}^{1}NW_{4}^{1}$ sec. 17 to form a modified 80-acre 5-spot flood pattern.

The plan for operating the above described waterflood project as proposed in the application is satisfactory to this office and hereby approved subject to like approval by the New Mexico Oil Conservation Commission and the following:

- 1. This project will be operated in compliance with the New Mexico Oil Conservation Commission regulations governing waterflood operations.
- 2. Duplicate copies of a monthly progress report (New Mexico Oil Conservation Commission Form-C-120 will suffice) are to be submitted to this office showing the volume of water injected and average pressure for the injection wells, and production for the production wells in the project area.



3. This approval does not preclude the necessity to submit the usual notices and reports on all wells involved.

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Sincerely yours,

James A. Knauf District Engineer

Attachments

cc: Roswell

RLBeekman:mh 6/19/67

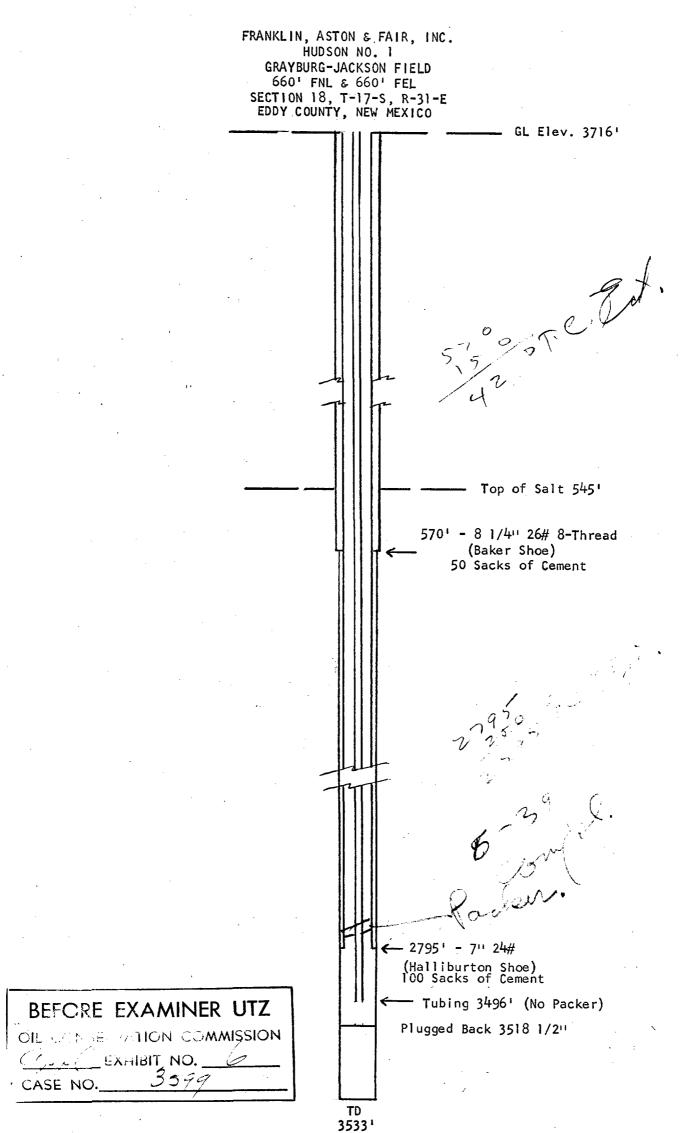
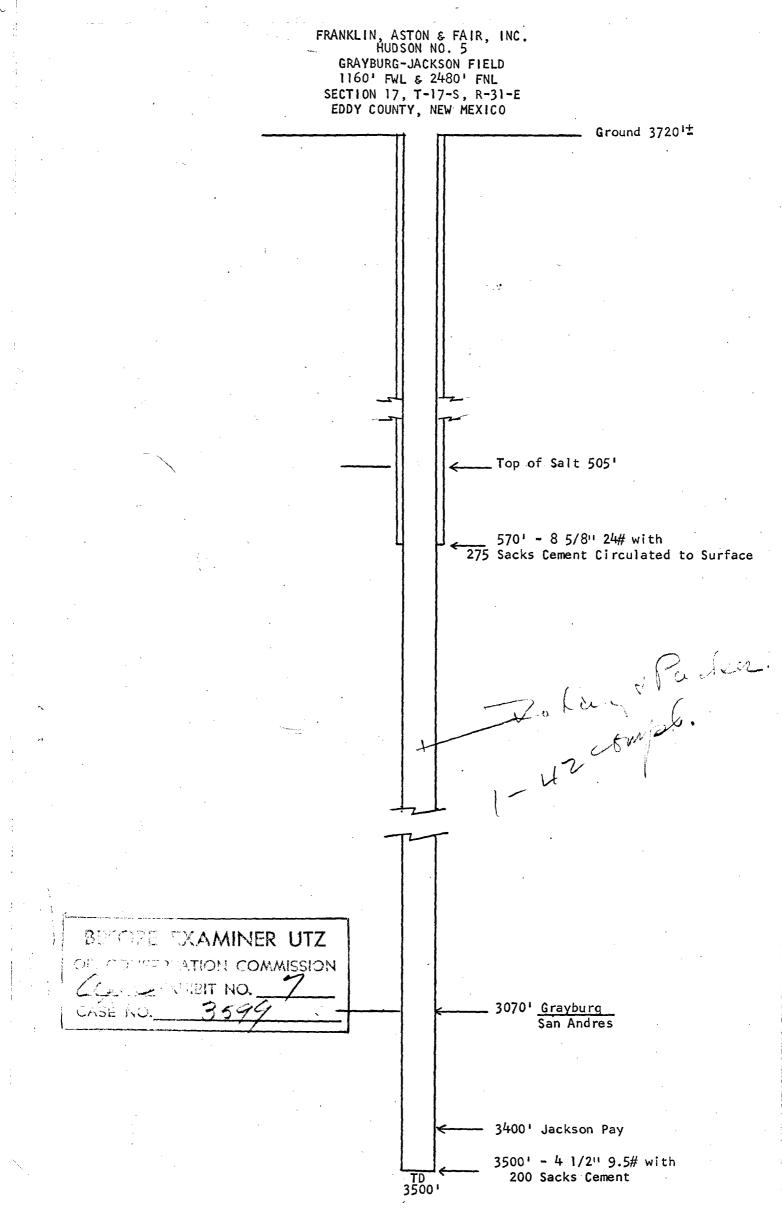


EXHIBIT 7.



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