



GARREY CARRUTHERS
GOVERNOR

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

January 7, 1991

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

Boyd & McWilliams Energy Group, Inc.
300 West Texas, Suite 704
Midland, TX 79701

Re: Amoco-Federal Well #1-M
Sec. 8, T8S, R38E
Roosevelt County, NM

Gentlemen:

The above-referenced application for permit to drill has been received from the BLM. It is noted that the location (510/S & W) Sec. 8, T8S, R38E, is unorthodox for the Bluit San Andres Assoc. Pool, which has special spacing rules that require the well be located within 150 feet of the center of either quarter/quarter of the 80 acres dedicated to the well.

If you drill at the above-referenced location you will need to obtain approval of the unorthodox location from our Santa Fe office. The other option is to move the well to a standard location.

Production from a well drilled at the 510/S & W location will not be approved until the non-standard location has been approved.

Very truly yours,

OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "Jerry Sexton", written over the typed name.

Jerry Sexton
Supervisor, District I

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cc: Jerry Long
2709 Resolana Drive
Roswell, NM 88201