

BILL J. GRAHAM
CONSULTING PETROLEUM ENGINEER - OIL OPERATOR

201 WEST BUILDING
P. O. BOX 5321

MUTUAL 4 - 6872
AREA CODE 915

MIDLAND, TEXAS
79701

November 2, 1978

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
Hobbs District Office
Box 1980
Hobbs, New Mexico 88240

Attention: Jerry Sexton
Supervisor, District 1

Re: Bill J. Graham
Williams #1
Unit K, Section 3,
T-13-S, R-31-E
Chaves County, NM

Gentlemen:

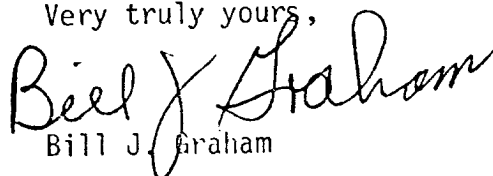
I drilled the above captioned well at a location 1730 feet from the west line and 1980 feet from the south line of Section 3. My lease contains 320 acres which is the south half of section 3.

I visited with someone in your office by phone, and I got the opinion that the location could be moved 150 feet closer to the short side of the lease without getting prior approval from the commission.

The 1980' from the west location fell within the area used by the rancher for a stock pen and for cattle watering. Therefore, I moved the location 150 feet west to not disturb his operations.

I wish to request that you approve my unorthodox location administratively, if possible.

Very truly yours,


Bill J. Graham

BJG/fs