



BAHLBURG EXPLORATION INC.

Post Office Box 866937 • Plano • Texas • 75086-6937 • (214) 867-2575 • Fax (214) 867-6745

May 5, 1995

Mr. C. Robert Crawford  
BTA Oil Producers  
104 S. Pecos  
Midland, TX 79701

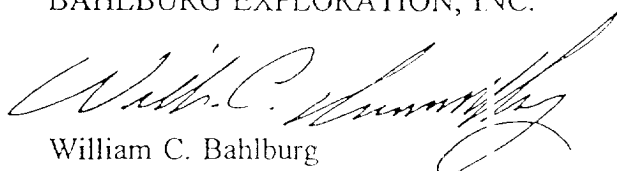
RE: WAIVER  
Unorthodox Well Locations  
W/2 Sec. 25 and E/2 Sec. 26  
T-13-S, R-37-E, N.M.P.M.  
Lea County, New Mexico

Dear Bob:

Bahlburg Exploration, Inc. plans to seek approval from the New Mexico Oil Conservation Division for one or more unorthodox well locations in the King Field Devonian and Wolfcamp pools. As we have discussed, our recent 3-D seismic survey over the referenced acreage has identified a structure which lies directly under the section line between sections 25 and 26, T13S, R37E. We intend to drill one or more well locations which would most likely be closer than the minimum 330 ft. distance from the section line. This seems to be the only prudent approach to testing and developing the identified structure. As an offset leasehold owner to any such unorthodox well location we respectfully request your agreement to waive your right to object or protest to the application(s) of Bahlburg Exploration, Inc. (or designated successor operator) seeking approval of such unorthodox wellbore locations for any wells drilled on the referenced lands.

If you agree to waive your right to object and protest to our application seeking approval for an unorthodox well location(s) for any wells drilled on the referenced lands, please so indicate your acceptance and approval by executing this letter in the space provided below and returning one (1) copy to the undersigned at your earliest convenience.

Very truly yours,  
BAHLBURG EXPLORATION, INC.

  
William C. Bahlburg

This Waiver ACCEPTED and AGREED TO this 22nd day of May, 1994.

BTA OIL PRODUCERS

By: 

Title: EXPLOITATION MGR.

23

R 37 E

24

SULLIVAN et al  
(Palladin Farmin)

SULLIVAN et al

SULLIVAN et al  
(BTA Farmin)

SULLIVAN et al

26

Proposed Bottom Hole Location  
2205'FNL-100'FWL

25



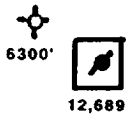
12,547'



12,670'



10,145'

T  
13  
S

6300'

12,689'



12,437'



12,675'



12,272'



13,145'

AMERICAN EXPLORATION

AMERICAN EXPLORATION



11,686'



12,585'



12,590'



11,200'

12,430'



11,100'

12,670'



12,249'

35

36

## LEGEND



Wolfcamp Producer



Devonian Producer

SULLIVAN AND COMPANY  
3D PROGRAM I L.L.C.APPLICATION FOR  
UNORTHODOX WELL LOCATIONLOWE 25 #1  
Section 25, T 13 S, R 37 E  
Lea County New Mexico

SCALE:

1" = 1000'

BY:

DATE:

GEO DRAFT