

# TMBR/Sharp

Drilling, Inc.

Drawer 10970  
Midland, Texas 79703-1097  
915-829-6011

October 10, 1998

Chris Williams, District Director  
New Mexico Oil Conservation Division  
P.O. Box 1980  
Hobbs, NM 88240

Re: TMBR/Sharp Drilling, Inc.  
Application for Approval of a Non-Standard Location  
TMBR State "16" #1, API # 30-025-34333  
Section 16, T-14-S, R-34-E  
Lea County, New Mexico

Dear Mr. Williams:

I feel that the complex history of this well necessitates that I start with some explanation of how this well came to be completed at a non-standard location. The referenced well was originally permitted as a Saunders Lime well and was intended to test only the Bough "A" zone, it was also permitted as a potential horizontal well bore as seen in the attached C-102. The well was drilled through the Saunders Lime, which had good shows, and all was according to Hoyle; however, after drilling the rat-hole to log the Saunders Lime, a drilling break was found in the Bough "B" zone. Drilling was continued through the Bough "B" zone, which looked productive, and the subsequent Bough "C", "D", "E", and "F" were evaluated as potentially productive. The area looked promising for the deeper intervals of Atoka and Morrow and even Fusselman and several permit amendments were applied for and granted to cover the deeper drilling. The well was ultimately drilled to a total depth of 14 880' in the Silurian Formation. After testing numerous zones in the well, a commercial completion was successfully attempted in the Atoka Formation at 12,260' to 12,288', with a PBTD of 12,720'. The well is currently producing from the Atoka interval and makes about 250 BCPD 0 BWPD and 1.1 MMCFD.

I have visited with Mr. Mike Stogner on several occasions about this well and its peculiar regulatory problems. Right now, we appear to have a gas well that needs to be put in the East Saunders Permo Penn (Atoka) Field. The Location of this well bore as stated above would be non-standard in this pool because it is closer than 150' to a quarter/quarter line. The spacing in this pool is 160 acres, this is consistent with our plans for further development. There are no other offset wells in this area that are completed in this pool.

Mr. Chris Williams, District Director

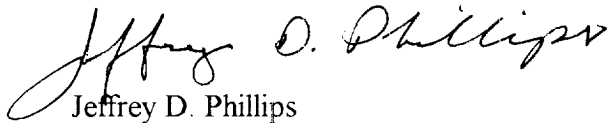
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I have made application with Mr. Stogner, in Santa Fe, to produce this well in the East Saunders Permo Penn (Atoka) pool at a non-standard location.

Should you require further information please feel free to call me at (915) 699-5050 or write at the letterhead address.

Sincerely,

A handwritten signature in cursive script that reads "Jeffrey D. Phillips". The signature is written in dark ink and is positioned above the printed name and title.

Jeffrey D. Phillips

Vice President of Production

DISTRICT I  
P.O. Box 1388, Hobbs, NM 88241-1000

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Boxer 88, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT III  
1000 Rio Brazos Rd., Artesia, NM 87410

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-34333</b>	Pool Code <b>54960</b>	Pool Name <b>EAST SAUNDERS - PERMO PENN</b>
Property Code <b>22894</b>	Property Name <b>TMBR STATE "16"</b>	Well Number <b>1</b>
OCRID No. <b>036554</b>	Operator Name <b>TMBR/SHARP DRILLING, INC.</b>	Elevation <b>4128</b>

Surface Location

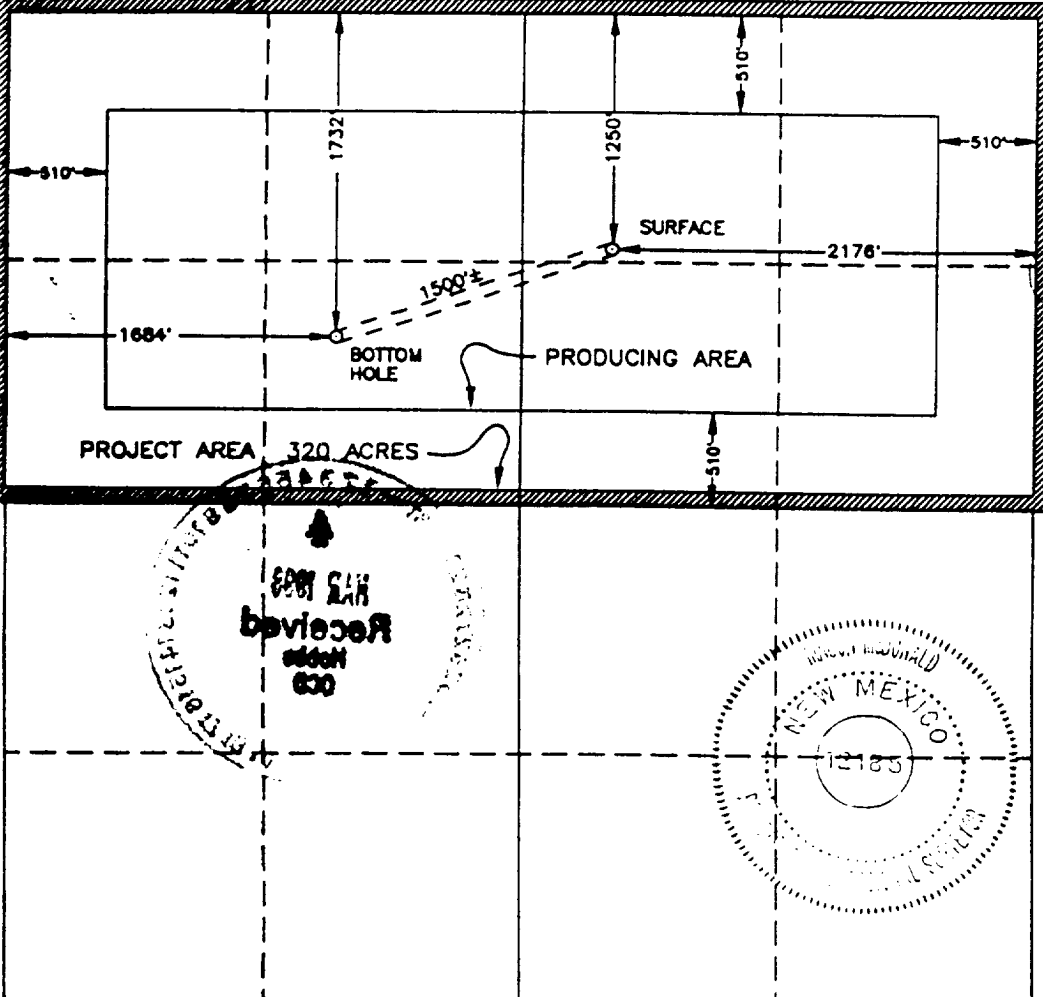
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	16	14 S	34 E		1250	NORTH	2176	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	16	14 S	34 E		1732	NORTH	1684	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Jeffrey D. Phillips</i> Signature <b>Jeffrey D. Phillips</b> Printed Name <b>V. P. Production</b> Title <b>3/2/98</b> Date</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><b>JANUARY 20, 1998</b> Date Surveyed <i>[Signature]</i> Signature &amp; Seal of Professional Surveyor <b>W.O. Num. 98-11-0078</b> Certificate No. <b>RONALD J. EDSON, 3238</b> <b>GARY G. EDSON, 12841</b> <b>MACON McDONALD, 12188</b></p>
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