

H. L. BROWN, JR.
323 WEST MISSOURI
POST OFFICE BOX 2237
MIDLAND, TEXAS 79701
915 683-5216

November 10, 1977

New Mexico Oil
Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. Joe D. Ramey

Re: Unorthodox Location;
H. L. Brown, Jr's Arco
State, Well #1, Section
16, T-16-S, R-32-E, Lea
County, New Mexico

Dear Mr. Ramey:

The above referenced well location is staked 1150 feet FEL and 330 feet FNL of Section 16 in Unit "a". There is an existing well at the Unit center (660 feet FE & NL). Our initial intent was to stake the subject well immediately west of the existing well; however, an east-west overhead electric service line caused us to move to the north. As you can determine from the enclosed topographic map of the area, there is a slope down to the northeast in Unit "a" and eventually grades down into a dry lake bed.

Our location of 1150 feet FEL and 330 feet FNL was selected because of the above electric line, and the fact that the slope area surface in the north and northeast portions of Unit "a" is solid caliche rock. In order to build a location at 990 feet FEL and 330 feet FNL, it would be necessary to do extensive blasting and excavation, resulting in an unusually high cost of location construction. A location at 1150 feet FEL and 330 feet FNL can be built with a minimum of expense. This well is a Wolfcamp prospect and, if completed, would be prorated on 80 acre spacing.