V-F PETROLEUM INC. ONE MARIENFELD PLACE, STE 580 MIDLAND, TX 79701 915/683-3344

April 20, 1993

New Mexico Oil Conservation Div. P. O. Box 2088 Santa Fe, New Mexico 87504-2088 New Mexico Oil Conservation Div.

District 1 P. O. Boc 1980 Hobbs, New Mexico 88240-1980

> Request for Exception to NMOCD Rule 104 B(1a) by Administrative Approval for Recompletion Attempt in Atoka

V-F Petroleum Inc. Graham #1 Sec. 9L, T-15-S, R-36-E 2310' FSL & 430' FWL 330' FNL & 430' FWL (lease) Caudill, Devonian Field Lea County, New Mexico

Gentlemen:

V-F Petroleum is requesting an exception to NMOCD Rule 104 B(1a) regarding spacing requirements and proration units. The V-F Petroleum Graham #1 is currently producing from the Devonian at a rate of approximately 8 BOPD + 250 BWPD. We propose a recompletion attempt in the Atoka formation uphole, which will be a gas producing reservoir. Spacing distances (660' side, 1980' end) and proration unit requirements (320 acres) for a wildcat gas well cannot be met by this well at its' location.

V-F has 320 acres under lease being the SW/4 of Sec 9, T-15-S, R-36-E and the SE/4 (160 acres) of Sec 8, T-15-S, R-36-E. It is our understanding that the acreage under lease in Sec. 8 cannot be included in the proration unit for the well in Sec. 9, hence our application for exception of a non-standard proration unit & unorthodox location.

We have included for your review two location maps showing all offset leaseholders, operators, and mineral owners plus a signed waiver from them regarding our request for an exception to spacing and proration unit rules.

Also included is Form C-101, Application for Permit to Drill, Deepen, Plug Back and the original Form C-102 filed on this well outlining the new non-standard proration unit.

Please call us at the above number if you have any questions or comments, and we sincerely hope you will grant our request for a non-standard proration unit and an unorthodox location.

Very truly yours,

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Kenneth E. Stull Geologist Engineering Technician

KS/sm