

MIDLAND DISTRICT: BRIERCROFT SAVINGS BUILDING • (915) 682-7316 MAILING ADDRESS. P O. DRAWER 1828 MIDLAND. TEXAS 79702-1828

January 13, 1988

New Mexico Oil Conservation Division P.O. Box 1980 Hobbs, New Mexico 88240

Attn: Jerry Sexton

Re: Pennzoil-Maude Medlin No. 1 Section 22, T16S, R37E Lea County, New Mexico

Dear Mr. Sexton:

Attached please find a permit application to drill the Maude Medlin No. 1 at an unorthodox location 990' FEL and 1980' FSL of Section 22, T16S, R37E, Lea County, New Mexico. Your prompt consideration of this matter would be greatly appreciated since a spud date of 1-24-88 is anticipated.

The Maude Medlin No. 1 was originally to be drilled at an orthodox location 810' FEL and 1980' FSL. A hearing was held 11-18-87 to force pool the E/2 SE/4 of Section 22 for the drilling of this well. No opposition was encountered and the order was made effective 11-24-87. During December the interest owners approved an AFE and operating agreement effectively negating the force pooling order.

Some recent geophysical interpretations, however, have forced the location to be moved 180' west to 990' FEL and 1980' FSL of Section 22. The dedicated acreage will now be the N/2 SE/4 of Section 22. The unorthodox location hearing has been docketed for 2-3-88. Interest owner approval is currently being obtained and waivers of objection are being solicited from the offset operators. No opposition is expected from these offset operators since the location is unorthodox within the dedicated acreage and does not encroach on any proration unit line.

