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Suite 780, LB 41  
Dallas, Texas 75206



**Browning Oil Company, Inc.**

Phone: (214) 739-3481  
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October 9, 1995

Mr. Bill LaMay  
State of New Mexico  
Office of the Commissioner of Public Lands  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Re: Application for Unorthodox Location  
Knowles # 1 Well  
State of New Mexico Lease V-1222  
Section 1, Township 16 South, Range 38 East  
Lea County, New Mexico

Dear Mr. LaMay:

Please be advised that Browning Oil Company, Inc. proposes to drill a well to be located in the southeast corner of Lot 10, Section 1, Township 16 South, Range 38 East in Lea County, New Mexico. The placement of this well, to be located 3,627' from the north line and 1,425' from the east line of Section 1, constitutes an "Unorthodox Location". Therefore, please accept this letter as our application for the approval of our location by the State of New Mexico.

The Browning Oil Company, Inc. Knowles #1 well is a proposed 13,200 foot exploratory project for the purpose of testing the Devonian (Silurian) formation. The project is supported by well control consisting of four dry and abandoned wells and seismic. The proposed location will attempt to test a geologic feature at its structurally highest position.

The proposed unorthodox location is necessary in order to properly test this idea. A well completed as an oil or gas producer would most adequately drain the proration unit and assist in the proper development of a field. This location could, furthermore, prevent the unnecessary drilling of economically marginal wells or dry holes. A well completed as dry hole at this location would also properly test this idea and prevent the drilling of additional dry holes. Ultimately, the location would help conserve financial and natural resources.

