



Southland Royalty Company

October 31, 1981

State of New Mexico
Energy & Mineral Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Unorthodox Well Location
Smith "5" No. 1
P, 660' FEL & 760' FSL
Sec. 5, T-19-S, R-35-E
Lea County, New Mexico

Gentlemen:

Southland Royalty Company requests administrative approval for an unorthodox location for the aforementioned completed well. This approval is requested in accordance with paragraph "F", Section II "Non-Standard Units" of Rule 104.

The subject well was originally completed in the Scharb Wolfcamp field. Production has reached an economic limit and a request has been made to the Oil Conservation Division to approve plug back procedures to the Bone Spring formation.

The original permit for the well was for a standard location in the Wolfcamp formation. Under the Scharb Bone Spring Field Rules, this plug back will result in an unorthodox location for the captioned well. It is requested that immediate attention be given to this matter, since the subject well requires an approved NSL order to be assigned an allowable.

By copy of this letter, Southland Royalty Company is notifying all offset operators of our request for an unorthodox location. This notification was mailed by certified mail.

Sincerely yours,

Ray F. Nokes

RFN/lap