

AMERADA HESS CORPORATION

P. O. DRAWER "D"
MONUMENT, NEW MEXICO 88265

March 4, 1992

New Mexico Oil Conservation Division
Attn: Mr. Jerry Sexton
P.O. Box 1980
Hobbs, New Mexico 88240

Ref: NMGSAU Numbering System

Dear Mr. Sexton:

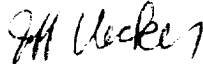
Attached is an example of the North Monument Grayburg San Andres Unit's numbering system. In attachment #1 you can see that our system corresponds to the New Mexico 40 acre lettering system. Once there is a second well within a certain 40 acre tract, Amerada Hess will number it sixteen numbers higher than the first well on that 40 acre tract.

The second attachment shows the original well numbers for two offset 80 acre leases owned by Shell and Texaco prior to unitization. As you can see, Shell named their infill wells into the Grayburg with a "Y" suffix, while Texaco used the numbers 3 and 4 to describe the additional wells. The situations are similar. The original wells were drilled in 1936, and the infill wells were drilled at a later date.

Attachments 3 and 4 show Amerada Hess' proposed well numbers and the NMOCD's approved well numbers, respectively. Please note that the NMOCD is requesting that we maintain the "Y" designation. Our proposed numbering system will take into account additional wells on any 40 acre proration unit without any lettered suffixes.

Amerada Hess respectfully requests that the "Y" designation be dropped so we can maintain well number consistency throughout the field. Your reply would be appreciated.

Sincerely,



Jeff Uecker
Sr. Petroleum Engineer

JTU:tlh
Attachments
xc: Rob Williams
Al Young
Eric Haas
Joe Shirley
File