

# AMERADA HESS CORPORATION

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CERTIFIED RETURN RECEIPT REQUESTED

June 26, 1995

ADMINISTRATIVE APPLICATION FOR  
AN UNORTHODOX LOCATION AND  
SIMULTANEOUS DEDICATION  
EUMONT YATES SEVEN RIVERS QUEEN  
PRORATED GAS POOL  
STATE 'U' GAS COM #3  
UNIT LETTER 'D'  
760' FNL & 990' FWL  
SECTION 32, T-19S, R-37E  
LEA COUNTY, NEW MEXICO

State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Attn: Mr. William J. Lemay

Dear Mr. Lemay:

Amerada Hess Corporation respectfully requests administrative approval to drill and complete the State 'U' Gas Com #3 at an unorthodox well location and simultaneously dedicate this well to the State 'U' Gas Com Eumont Gas Proration Unit. This location is unorthodox by virtue of being less than the required 1320' from an active well producing from the same horizon, the AHC State 'U' #2.

The AHC State 'U' Gas Com was approved as a non-standard proration unit approving approximately 240 acres consisting of the NW/4 and the E/2 of NE/4 Section 32, T-19S, R-37E. The proration unit was originally dedicated to the State 'U' Gas Com #1 located 1980' FNL and 660' FWL which has since been abandoned in the Eumont and recompleted in the Grayburg as the NMGSAU 1605. The second well, the State 'U' #2 located 990' FNL and 2160' FWL Section 32, T-19S, R-37E, was dedicated to this GPU under NMOCD Case No. 6436 / Order No. R-5956 and is actively producing from the Eumont.

Attached are the:

- 1) 'Application for Permit to Drill' (form C-101) w/ required BOP stack drawing
- 2) 'Well Location and Acreage Dedication Plat' (form C-102) depicting the AHC State 'U' Gas Com and its' dedicated producer(s)