



LION PRODUCTION, INC.
— oil & gas producers —

CERTIFIED RETURN RECEIPT REQUESTED

June 12, 1995

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

Attention: Mr. William J. LeMay - Director

Re: N. B. Bordages Gas Com. No. 2
Administrative Application For
Unorthodox Location/
Simultaneous Dedication
E/2 NE/4 Section 32
E/2 NW/4 & NW/4 NW/4 Section 33
T19S, R37E, Lea County, New Mexico

Gentlemen:

Lion Production, Inc. is in the process of filing NMOCD Forms C-101 and C-102 with the NMOCD District I Office for permission to drill the proposed N. B. Bordages Gas Com. No. 2 well as an infill Eumont (Y-7R-QN) gas well at the unorthodox location of 480' FNL and 850' FEL (Unit A), Section 32, T19S, R37E, Lea County, New Mexico.

Lion Production, Inc. hereby requests administrative approval to locate the N. B. Bordages Gas Com. No. 2 at the aforementioned unorthodox location and approval to simultaneously dedicate the proposed N. B. Bordages Com. No. 2 along with the currently producing N. B. Bordages Com. No. 1 (Unit D, Section 33, T19S, R37E) to the existing 200 acre non-standard Eumont (gas) proration unit consisting of the E/2 NE/4 Section 32 and E/2 NW/4, NW/4 NW/4 Section 33, T19S, R37E, Lea County, New Mexico (NMOCD Order Nos. R-1663 & R-1663-A).

The 200 acre N. B. Bordages Gas Com. is located within the subdivided Payton Addition of the Monument Townsite. Several dwellings, barns and corrals are located on the lease in addition to existing oil and gas appurtenances associated with the Amerada Hess operated N. Monument