

EXHIBIT D is a drawing of the surface obstructions in Units I and P of the SE/4 of Section 2. The Southern most standard location which was disallowed because of topography was also crowded on the North side by existing pipelines. Moving North, the first usable location which avoided surface obstructions and provided sufficient pad area was found at the proposed location at 1340' FSL.

EXHIBIT E is a list of all offset owners surrounding this 480-acre NSPU who have been notified of this application by certified mail. Copies of the certified mail receipts are also attached as EXHIBIT F.

This well, in the SE/4 of the section, is needed to efficiently complete drainage of this 480-acre NSPU. This location is non-standard only to an inner quarter-quarter line and will not affect the correlative rights of any offset operator.

If there are further questions concerning this application please contact me at (915) 686-6548. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jerry W. Hoover". The signature is fluid and cursive, with the first name "Jerry" being more prominent.

Jerry W. Hoover  
Sr. Conservation Coordinator

cc: Carlsbad BLM Resource Area Office