

AMERADA HESS CORPORATION

P. O. BOX D
MONUMENT, NM 88265-0052
505-393-2144

June 6, 1994

ADMINISTRATIVE APPLICATION FOR
AN UNORTHODOX LOCATION AND
SIMULTANEOUS DEDICATION
EUMONT YATES SEVEN RIVERS QUEEN
PRORATED GAS POOL
H. L. HOUSTON GAS COM #4
1723' FNL & 1310' FEL
SECTION 7, T - 21S, R - 36E
Lea County, New Mexico

STATE OF NEW MEXICO
ENERGY, MINERAL AND NATURAL RESOURCES DEPT.
OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87504
ATTENTION: MR. WILLIAM J. LEMAY

Mr. Lemay:

Amerada Hess Corporation requests your approval of our administrative application for an unorthodox location and simultaneous dedication for the well referenced above. AHC has planned to drill and complete the H. L. Houston Gas Com #4 at the referenced location. The well will be unorthodox by virtue of being less than the required 330 feet from a quarter-quarter section line. The standard location, 1980' FNL and 990' FEL, was incompatible with drilling, due to its proximity with electrical transmission lines. In addition, buried pipelines on the east and west sides of the proposed location and an existing, frequently traveled road also contributed to its inaccessibility. Since the location was moved toward the interior of the lease, correlative rights should not be effected by the relocation of the drill site.

The Amerada Hess Corporation H. L. Houston Gas Com was approved as a non-standard proration unit under NSP-378, approving 310 acres consisting of the N/2 of Section 7, T-21S, R-36E. The proration unit was originally dedicated to the H. L. Houston Gas Com #3, located 660' FNL and 1980' FEL.

A map depicting offset Eumont completions and respective proration units, a sample copy of the waiver request, an offset operator list and a plat of the subject well and proration unit are attached. A copy has been forwarded to Jerry Sexton, Hobbs NMOCD Director. In addition, a notification and waiver were forwarded by certified mail to the offset operators on the offset operator list.

Yours very truly,



E. J. Haas

Sr. Production Foreman