

McDONNOLD OPERATING, INC.
505 N. Big Spring, Suite 204
Midland, TX 79702
(915) 682 6396

May 13, 1996

New Mexico Oil Conservation Division
Oil and Gas Drilling Permits
P. O. Box 2306
Santa Fe, NM 87503-2308

Attn: Mr. Michael Stogner

Re: Non-standard drilling location
Jalmat Tansill Yates Seven Rivers (Pro Gas)
Jack A-29 Well No. 8
Unit J, Sec. 29, T24S, R37E
Lea County, NM
1980' from the South and 1980' from the East Line
Total Depth 3380' PBTD
Formation at PBTD: Yates

and

Jalmat Tansill Yates Seven Rivers (Pro Gas)
Jack A-29 Well No. 9
Unit E, Sec. 29, T24S, R37E
Lea County, NM
2634' from the North and 1126' from the East Line
Total PBTD: 3360'
Formation at PBTD: Yates

Dear Mr. Stogner:

We are requesting administrative approval of non-standard proration units for the above mentioned wells. We are requesting a proration unit of 160 acres for Well No. 8 and a proration unit of 160 acres for Well No. 9. The reason for this request is that we have only 320 acres allowed this lease and the field wide rules call for 360 acres. We have plugged back from the Langlie Mattix Field on Well No. 9 and the production intervals are 3025-3220.

All offset operators have been notified of this request as indicated in the attached letter. This acreage is not dedicated to any other wells except as stated above in this field.

Your prompt attention to this matter is greatly appreciated.

Yours very truly,

Linda Johnston, Agent for
McDonnold Operating, Inc.