File

New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Attention: Mr. Joe Ramey

Re: Application to Drill Unorthodox Location Cooper Jal Unit, Well No. 151 Langlie Mattix Field Lea County, New Mexico

Gentlemen:

Reserve Oil, Inc. requests administrative approval of its application to drill Cooper Jal Unit, Well No. 151, in an unorthodox location in the Cooper Jal Unit, Langlie-Mattix Field, Lea County, New Mexico. Reference Attachment "C", the proposed producer (Well No. 151) is located in a 160-acre tract that already has four (4) Langlie Mattix wells (2 producers - 2 injectors). Well No. 151's location is considered to be in an optimum position to recover otherwise unrecoverable reserves in an injection pattern bounded by Well Nos. 122, 116, 134, 147 and 127. According to Rule 104, Paragraph C, Section I, "only tracts committed to active secondary recovery projects shall be permitted more than four wells."

Attached for your review are Forms C-101 and C-102, Attachment "B", a plat showing the entire Unit, and Attachment "A", a history of the Unit's performance to date.

Should there be any questions, please call us collect at 915-682-4341.

Very truly yours,

RESERVE OIL, INC.

Clarence R. Chandler

ATTACH. R