

JACK HUFF

Oil and Gas Producer

May 29, 1985

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, NM 87501

Attn: Mr. Gilbert Quintana

Re: John S. Goodrich Hondo Federal #1 Well
Chaves County, New Mexico

Gentlemen:

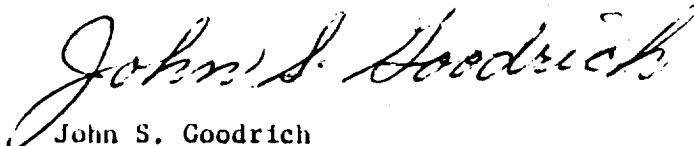
On January 12, 1985 I commenced the above well and thereafter drilled it to a total depth of 2800 feet. The well is located 1980 feet from the north line and 660 feet from the east line of Section 21, Township 13 South, Range 31 East, and has been completed as a gas well in the Southeast Chaves Queen Gas Area Associated pool. The standard spacing unit for that pool is 320 acres. At the time I drilled the well, I anticipated that I would secure an oil well in the Queen formation, but the well produces gas only. The acreage which I have to dedicate to the well consists solely of the NE/4 of Section 21. A plat is enclosed showing (a) the well location with the proposed acreage to be dedicated to the well outlined in red and (b) the offsetting operators.

Each of the offsetting operators has been sent through certified mail with return receipt a copy of this letter for its notification hereof. Copies of the signed receipts will be forwarded to you as soon as they have been received by me.

Since I only have the 160 acre tract to dedicate to the well, and since I anticipated I would obtain an oil well when the well was commenced, I hereby request that the NE/4 of Section 21 be approved as a non-standard spacing unit for the production of gas from the well shown in the caption hereof, and that the well's present location be designated as an approved non-standard location in the Southeast Chaves Queen Gas Area Associated pool.

Your assistance in this regard will be greatly appreciated. Should you need any further information please contact me.

Yours very truly,



John S. Goodrich

JSG/nn
Enclosures

RECEIVED

JUN - 4 1985

O.C.D.
HOBBS OFFICE