HANSON OPERATING COMPANY, INC.

P.O. BOX 1515

ROSWELL, NEW MEXICO 88202-1515

PHONE AC 505-622-7330

April 22, 1985

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

RE: MAX GUTMAN #2
Unit L, Sec.19,T.22S,R.38E
Lea County, New Mexico

Dear Mr. Catanach:

Your administrative approval is requested to permit down-hole commingling of marginal Drinkard and Paddock production with the proposed Blinebry section, per Rule 303-C-2, on the above captioned well.

There is no evidence of fluid incompatability and we do not expect any waste or resevoir damage due to down-hole commingling in the well bore. Ownership in the three (3) pools in common, and correlative rights will not be violated. Down-hole commingling will allow the recovery of additional hydrocarbons from this well. All zones will have to be pumped.

The subject well was drilled and completed in the Drinkard zone in December, 1966 and in the Paddock zone in July, 1966. Attached is a Well History Report of the Drinkard and Paddock zones.

Attached please find pertinent data regarding this application as outlined in Rule 303-C-2.

Your very truly, HANSON OPERATING COMPANY, INC.

David Sweeney
Drilling & Production Superintendent

DS/seh

Attachments