HOBBS, NEW MEXICO

July 7, 1960

Haynes & V. T. Drilling Co. 1725 N. Grant Odessa, Texas

Gentlemen:

On the basis of your most recent gas-oil ratio tests your Dunn No. 1 in Unit O and Dunn No. 2 in Unit I of Section 13, T-24-S, R-36-E, Jalmat Pool, have been reclassified as gas wells. Since Unit O and Unit I are already dedicated to your Dunn No. 3, it will be necessary that these wells be shut in.

Should you desire to produce these wells in conjunction with your Dunn No. 3 it will be necessary to apply for a non-standard proration unit dedicating the acreage involved to the three wells instead of to the Dunn No. 3 only. In the event that you do this it will also be necessary that Notices of Connection and deliverability tests be submitted to this office.

In the event that we can be of further service in this matter, please advise.

Yours very truly,

OIL CONSERVATION COMMISSION

JDR/

Joe D. Ramey Proration Manager