OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

July 7, 1956

Neville G Penrose, Inc.
Fair Building
Fort Worth 2, Texas

Attention: Mr. John P. McNaughton

Administrative Exception to Rule 309 (a)

Gentlemen:

Reference is made to your application for administrative approval
for an exception to Rule 309 (a) in the Eumont Gas Pool.

It is understood that this exception to Rule 309 (a) is to be
ascribed to your Magruder State Lease known as State Lease No. B-11297,
which consists of the S/2 SE/4 and NW/4 SE/4 of Section 28, Township 20
South, Range 36 East and has Wells Nos. 1, 2 and 3 on the same lease and
Aztec's State Lease known as State Lease No. E-5146-1, which consists of
the NE/4 SE/4 of same section as other lease and has your Well No. 4 on
same lease, all in Lea County, New Mexico.

By authority granted me under provisions of Rule 309 (b) , Section
4 of the Rules and Regulations of the New Mexico Oil Conservation Commis-
sion, you are hereby authorized to operate a central tank battery on the
above described acreage as an exception to Rule 309 (a).

Very truly yours,

A. L. Porter, Jr.
Secretary-Director

ALP:jh
cc: Oil Conservation Commission, Hobbs
    N. M. Oil and Gas Engr. Comm., Hobbs
    N. M. State Land Office (Jordan), Santa Fe
    Aztec Oil and Gas Company, Dallas, Texas

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