

February 6, 1959

New Mexico Oil Conservation Commission
Capitol Building
Santa Fe, New Mexico

Re: Application of John J. Dempsey's associates for an
increased allowable on Hutchison Well No. 1, NE
NE $\frac{1}{4}$, Section 1, Township 29 North, Range 13 West,
San Juan County, New Mexico

Attention: Mr. Oliver Payne, Attorney

Gentlemen:

During the recent hearing concerning the above-captioned matter we were requested to submit a plat showing owners of offset wells, if any, which were located in the Fulcher-Kutz Pool, and in the area immediately surrounding the above-described real property upon which has been drilled Hutchison Well No. 1.

We have discussed this matter with representatives of your office here in Santa Fe and with Mr. Emory Arnold with your District Office in Aztec, and have been advised that there are no owners of offset wells in the immediately surrounding area. Accordingly, we respectfully request that we be relieved of this requirement.

We further understand that since the evidence in Case No. 1461 clearly indicates that it requires approximately \$145.00 gross income to provide for operating expenses, royalty and normal workovers for wells drilled in this general area and that the figure represents an average of such costs in order to break even in connection with operations of wells in this area in order to prevent premature abandonment of such wells, which evidence was incorporated into subject hearing by reference and without objection, that no further information concerning such costs will be required by the Oil Conservation Commission in connection with our application.

We trust the foregoing sufficiently satisfies your requirements in connection with the above application.

Very truly yours,



Harl D. Byrd