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P. O. BOX 2048  
HOBBS

February 7, 1961

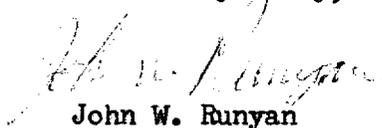
Mr. D. S. Nutter, Chief Engineer  
Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

Dear Dan:

After checking all available logs in the immediate area of Section 34, Township 19 South, Range 37 East, studying the exhibits you sent me, and checking the well files involved, it is my opinion that the lower 75 feet of the proposed perforations for Chambers and Kennedy's Monument State Well No. 1 are in the same interval from which Shell's EMC Well No. 1 is producing. Consequently, the two wells in question are in true dual dedication of acreage.

The well file on Shell's EMC No. 1 Well shows that it was reperforated in January 1959 as follows: 3774'-3781', 3890'-3893', and 3955'-3958'. (I have noted this in green on the Exhibit.) This makes the 3774'-3781' set of perforations open above the gas/oil contact. Therefore, I recommend that the NE/4 NE/4 be deleted from the proposed gas unit.

Yours very truly,

  
John W. Runyan

JWR:mg  
Copy to  
Joe D. Ramey - Proration Manager