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W A I V E R

APR 1 1974

O. C. C.
ARTERIA, OFFICE

New Mexico Oil Conservation
Commission
P. O. Box 1148
Santa Fe, New Mexico 87501

Re: Proposed Re-entry and Deepening
Hannifin State No. 1 Well
S/2 Section 16, T-19-S, R-31-E
Eddy County, New Mexico

Gentlemen:

We, the undersigned, have been notified of Adobe Oil Company's intention to file application for a permit to deepen the subject well. It is our understanding that the application will be to deepen the former Delaware Apache West Lusk Operating Unit Well from a depth of 11,372' to approximately 12,500' to test the Morrow formation. This existing hole is located 660' FS&EL of Section 16, T-19-S, R-31-E, Eddy County, New Mexico, which is an unorthodox location for a well to this depth. It is our understanding that the proration unit for this well will be the S/2 of the aforementioned section.

Please be advised that we, as an offset operator to Adobe Oil Company's proposed Hannifin State Well No. 1, have no objection to the location as set out above or the re-entry and deepening operation of this well.

Yours very truly,

GULF OIL CORPORATION

Date: April 1, 1974

By: W. C. Palmer

W. C. PALMER

Title or

Position: District Engineer