Can 1829 JOHN M. KELLY Box 5671 ROSWELL, NEW MEXICO November 19, 1959 Subject: Exception to Shut-In of Shahan #3 Jalmat Gas Pool per: R-967 Mr. A. L. Porter, Jr. Oil Conservation Commission Box 871 Santa Fe, New Mexico

Dear Sir:

John M. Kelly, operator of Shahan #3, SW NE section 33-25-37, Jalmat Gas Pool, submits application for an exception to the overproduction shut-in provision of Rule 10 order R-967.

Applicant requests that the Shahan #3 is allowed to compensate for its overproduced status at a maximum rate of 100 MCFPD in order to prevent waste. Applicant feels that due to the water production history in the area that the well could be "flooded out" and damaged during a prolonged shut-in period. The requested allowable would be sufficient to remove produced liquids and also compensate the overproduced status.

Yours very truly,

Kenneth D. McPeters

Production Superintendent