STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



HOBBS DISTRICT OFFICE

GARREY CARRUTHERS GOVERNOR September 13, 1988

POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88241-1980 (505) 393-6161

Mr. Donald R. Layton Layton Enterprises, Inc. 3103 79th Street Lubbock, TX 79423

Re: El Zorro C. Federal #3-C Section 11, T9S, R36E

Gentlemen:

This will confirm your conversation with Evelyn Downs of this office concerning the above-referenced drilling permit. As discussed, the well was permitted by the BLM at an unorthodox location for the Allison Penn Pool. You will need to file for approval of this unorthodox location with our Santa Fe office with a copy to the Hobbs office.

Also, production from this well will not be authorized until approval of the unorthodox location is received.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

ed