OIL CONSERVATION COMMISSION

HOBBS, NEW MEXICO

XXX 1980

Jan. 8, 1965

Sunray DX Oil Co. Box 128 Hobbs, New Mexico

Gentlemen:

The non-standard location of your State "AY" No. 1 located in Unit B of Section 36, T-7-S, R-35-E has been discussed by this office and the Santa Fe office, and I have been directed to inform you that the well can be released for drilling only. It is to be understood, however, that you are drilling at this location at your own risk, and that before any allowable is assigned to this well it will be necessary that you obtain a Non-Standard Location Order as a result of a hearing before the Commission.

Please accept my apology for the misinterpretation of the location requirement in the Todd San Andres Pool.

Yours very truly,

OIL CONSERVATION COMMISSION

Joe D. Ramey Supervisor, District 1

JDR/mc

OL CONSERVATION COMMISSION

HOBSS, NEW MEXICO