50 YEARS



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE



GOVERNOR

May 27, 1985

POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88240 (505) 393-6161

John S. Goodrich 4000 North Big Spring, Suite 109 Midland, Texas 79705

Gentlemen:

We are holding the C-104 submitted on the Hondo Federal Well number 1 located in Unit H of Section 21, Township 13 South and Range 31 East, without approval.

Since this well was permitted as an oil well with a 40 acre proration allocation, we will need a C-102 showing a 320 acre proration unit for the gas well completion. If the east half of section 21 is the dedicated unit, the well will have a standard location. However, if any other portion of this section is dedicated, you will need to apply for a Non-Standard Location Approval.

Also, we will need notification from your gas transporter when the gas connection is made. Please send another C-104 at the time of connection, listing the transporters of gas and any condensate, showing date of gas connection.

Yours very truly

Jerry Sexton Supervisor District I

JS:bp