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

July 27, 1979

POST OFFICE BOX 1960 HOBBS, NEW MEXICO 88240 (505) 393-6161

BRUCE KING GOVERNOR LARRY KEHOE SECRETARY

> Dorchester Exploration, Inc. 1100 Midland National Bank Tower Midland, Texas 79701

Attention Mr. Lynn E. Foster

Morton Solid State Unit Well No. 1 Re: Unit E, Section 4, T-15-S, R-34-E Lea County, New Mexico

Gentlemen:

Since the subject well is to be drilled to and completed in the Pennsylvanian formation, it falls within the horizontal and vertical limits of the Tres Papalotes Pool, which is on 160 acre spacing with the well to be located within 150 feet of center of any quarter quarter section. We are, therefore, unable to approve the drilling of the well at the proposed location until you have obtained approval from the Santa Fe office of the Oil Conservation Division in accordance with Division Rule 104. In the event that there is not sufficient time to obtain the approval through the regular channels, you may be able to obtain verbal approval by contacting our Santa Fe office and having them notify this office. The formal application must be made in either case, however.

We are returning Form C-102 in order that you may show 160 acres dedicated, and outline the 160 acre unit.

If you have any questions regarding this matter, please call us. We were unable to reach you by telephone this date.

Yours very truly,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District 1

mc encl.