PENROC Oil Corporation

P. O. DRAWER 831 . MIDLAND, TEXAS . 79701

Telephone (915) 683-1861

May 27, 1971

Re: Penroc Conoco-State No. 1 Unit No. G, Sec. 33-18S-38E Lea County, New Mexico

Gulf Oil Corporation P. O. Box 670 Hobbs, New Mexico 88240

Attention Mr. C. D. Borland Area Production Manager

Gentlemen:

Penroc Oil Corporation is presently completing their Conoco-State No. 1 well drilled at a location 1980' NL and 2130' EL of Section 33, T-18-S, R-38-E, Lea County, New Mexico, in the Hobbs-Drinkard Pool.

The New Mexico Oil Conservation Commission spacing rules require that the 80 acre proration unit for a well completed in the Hobbs-Drinkard Pool be within the same quarter section. Penroc is requesting that the Oil Conservation Commission approve an 80 acre proration unit for the above well consisting of the SW/4 NE/4 and NW/4 SE/4 of Sec. 33-18S-38E.

This is to request that Gulf Oil Corporation consent to the formation of the 80 acre production unit described above for the Conoco-State No. 1.

Please indicate your response on the copy of this letter and return to Penroc. Thank you.

Very truly yours,

PENROC OIL CORPORATION J. Brace Vigzell H. Brace Wigzell

APPROVED: Yes 2 No

GULF OIL CORPORATION

Date 6-1-71

RECEIVED

JUN G 1971 OIL CONSERVATION COMM, HOBBS, N. M.