STANOLIND OIL AND GAS COMPANY

Concerning the exception to Rule No. 2, we wish to state the following:

(A) The unorthodox location was occasioned by the recompletion of a well previously drilled to another horizon.

(B) All operators within a 1980' radius of the subject well have been furnished a copy of this application.

With regard to the exception to Rule No. 5 (a), we wish to state the following:

(A) That the proposed non-standard gas proration unit of 320 acres consisting of the N/2 of Section 24, T-20-S, R-36-E, is composed of contiguous standard governmental quarter sections.

(B) That the proposed non-standard gas proration unit lies wholely within a single governmental section.

(C) That the entire proposed non-standard gas proration unit may reasonable be presumed to be productive of gas.

(D) That the length or width of the proposed non-standard gas proration unit does not exceed 5280'.

(E) That the entire proposed non-standard gas proration unit lies within the horizontal limits of the Eumont Gas Pool.

(F) That by copy of this letter of application, all operators owning interest in the section in which the non-standard gas proration unit is situated and which acreage is not included in said non-standard gas proration unit and all operators owning interest within 1500' of the well have been notified by registered mail of this application as shown below.

A plat showing acreage to be dedicated, well location and offset ownership is attached.

We wish to advise that it is the intent of Stanolind Oil and Gas Company to propose a non-standard proration unit, at a later date, of 640 acres to include the SE/4 and SW/4 of Section 24, T-20-S, R-36-E, provided communitization with offset operators of the E/2 of SE/4 and the SW/4 of Section 24, T-20-S, R-36-E, can be accomplished. At that time proper application will be made in the manner prescribed by the New Mexico Oil Conservation Commission.

Yours very truly,

Ralph L. Hendrickson

Ralph L. Hendrickson
Field Superintendent

CKD/dw

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