

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

BRUCE KING GOVERNOR July 27, 1992

POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88241-1980 (505) 393-6161

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Collins & Ware Inc. 303 West Wall, Suite 2200 Midland, TX 79701

Attn: James F. O'Briant

RE: Sharp Nose Federal #1

Unit J, Sec. 13, T20S, R33E Bone Spring completion

Gentlemen:

We have received Form C-104 requesting an allowable for the Bone Spring completion of the above-referenced well.

This well was permitted as a Morrow gas well at an approved unorthodox location. The location 2395/S and 2065/E of Section 13, T20S, R33E, is also unorthodox for the Bone Spring since it is too near the quarter/quarter line.

We have assigned an allowable to the well for $\underline{60}$ days and during this time you must obtain approval of the unorthodox location for the Bone Spring.

Should you have any questions concerning this, please contact Evelyn Downs at (505) 393-6161.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

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P.S. Please submit acreage dedication plat, Form C-102, for the Bone Spring completion outlining 40 acres and signed by operator. It need not be signed by surveyor.