DIL CONSERVATION COMMISSION P. D. BOX 871 SANTA FE, NEW MEXICOHOBBS OFFICE OCC

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October 1, 1957

Texas Pacific Coal and Oil Company Fort Worth 1, Texas

Attention: Mr. R. W. Hines

Re: T. P. Coal and Oil Co. New Mexico "A" Ac. #43 Jalmat Pool Lea County, New Mexico

Gentlemen:

We are in receipt of your letter of September 19, wherein you " make application to drill" the above-captioned well, with the statement that you plan to dedicate 320 acres, being the E/2 - of Section 8, Township 22 South, Range 36 East, to the well.

Insamuch as you have already filed Form C-101, Notice of Intention to Drill, with our Hobbs Office and said C-101 was approved, we see no necessity for further approval of the application to drill by this office.

Your attention is called, however, to Order R-520, Special Rules for the Jalmet Gas Pool, Paragraph 5, which requires 640 acres to be dedicated to a well. Provision is made for administrative approval of non-standard units with certain restrictions as to the maximum amount of acreage which may be dedicated to a well located a specific distance from the boundaries of the unit.

A well 660 feet and 1980 feet from the outer boundaries of a unit may have dedicated to it a maximum of 320 acres for administrative approval of the UBit. Your proposed well is a 990-1650 foot location and therefore does not meet the requirements for administrative approval of a unit of 320 acres.

It is therefore suggested that upon completion of your proposed well you make application for a hearing for two non-standard

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