STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE May 1, 1979

> POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88240 (505) 393-6161



GOVERNOR LARRY KEHOE SECRETARY

BRUCE KING

Doyle Hartman 508 C & K Petroleum Bldg. Midland, Texas 79701

Dear Mr. Hartman:

Forms C-104 and C-105 for your J. Hiram Moore State Well No. ! located in Unit D of Section 18, T-21-S, R-37-E, indicate, and a study of the logs for the well confirm, that the well is perforated in both the Queen (Penrose) and Grayburg formations. Since this is the case, the well is open in both the Eumont and Penrose Skelly Pools. Therefore, no allowable will be assigned for the well until either one of the zones is squeezed, or permission for downhole commingling is obtained.

We also wish to call to your attention that your pick of the Queen top does not conform with the top of the Queen as specified by the Oil Conservation Division. We believe that you are now familiar with the Division procedure for picking the top of the Queen, and suggest that in the future you comply with this procedure in picking your tops.

Please notify this office by filing Form C-103 as to your intent in this regard.

Yours very truly,

OIL CONSERVATION DIVISION

Jerry Sexton

Supervisor, District 1