

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

TONEY ANAYA GOVERNOR October 1, 1986

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

Mr. Paul White Blanco Engineering Inc. 116 North First Artesia, NM 88210

Re: Gulf Hill #5-S Sec. 4, T21S, R37E Blinebry Recompletion

Dear Mr. White:

This will confirm the conversation with Evelyn Downs of this office concerning the recompletion of the above referenced well from Drinkard to Blinebry.

Summit Energy Gulf Hill #1 currently has this 40 acres dedicated to their 80-acre Blinebry proration unit. Before we can assign an allowable to your Blinebry recompletion it will be necessary for Summit to apply for a 40-acre NSP for their Gulf Hill #1. When this has been approved, we will assign an allowable to your Gulf Hill #5 in the Blinebry zone.

We assume you will take steps necessary to notify Summit of the need for the reduction in their proration unit.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

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