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September 8, 1989

Mr. William J. LeMay, Director New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87504-2088

> RE: Application for an 80 Acre Non-Standard Gas Proration Unit and Non-Standard Location McQuatters No. 1, N/2 NE/4 Section 11, T21S - R36E, Lea County, New Mexico Eumont Gas Pool

Gentlemen:

John H. Hendrix Corporation respectfully requests administrative approval for a non-standard 80 acre gas proration unit consisting of the N/2 NE/4 Section 11, T-21-S - R-36-E, Lea County, New Mexico, for a Eumont gas well, the McQuatters No. 1, to be drilled in Unit B. A lease plat is attached showing the location of this well.

The McQuatters No. 1 is a replacement well for the Amoco No. 1 McQuatters which was a Eumont gas well with the same non-standard proration unit, approved by NSP 106, but was turned over to the Chevron Eunice Monument South Unit and plugged in the Eumont.

John H. Hendrix Corporation also requests administrative approval for a non-standard location for the No. 1 McQuatters. A deeper producing well already exists at the standard location of 660' FNL and 1980' FEL.

Approval of this request will protect correlative rights, promote conservation, and encourage the efficient recovery of gas reserves. The proposed proration unit will

September 8, 1989

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consist of contiguous lots and lie wholly within a single governmental section. The length or width of the proration unit will not exceed 5280 feet. The well will not be located inside 330' from any lease or quarter-quarter section line.

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By copy of this letter, we are notifying the offset operators of this proposed non-standard proration unit and location. If these operators have no objections we ask that they execute the attached waiver and return one copy to the NMOCD and another to me at the letterhead address.

Yours very truly,

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Ronnie H. Wes Vice-President

Westbrook

RHW/ah

Enclosures

NMOCD District I, Hobbs Offset Operators (Certified Mail) Amoco Production Company