

5. The well will be equipped in such a manner that there will be no commingling of fluids from the two common sources of supply and each productive zone will be tested separately in the well, as required by the Commission.
6. Approval of the proposed dual completion is in the interest of conservation and will serve to prevent waste and protect correlative rights.
7. That by copy of this letter of application all offset operators are notified of this application.

We further respectfully request approval under the provisions of Rule No. 5 (b) of the Special Rules and Regulations for the Jalmat Gas Pool of Order No. R-520 of a 160-acre non-standard gas proration unit consisting of the NW/4 of the said Section 17 to be allocated to the said well No. 3. In support of this request we should like to point out that the proposed unit conforms with the requirements of said Rule 5 (b) in all respects as follows:

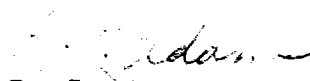
1. Said proposed non-standard gas proration unit consists of contiguous quarter-quarter sections.
2. Said proposed non-standard gas proration unit lies wholly within a single governmental section.
3. The entire proposed non-standard gas proration unit may be reasonably presumed to be productive of gas.
4. The length or width of said proposed non-standard gas proration unit does not exceed 5,280 feet.
5. Copies of this application have been furnished by registered mail this date to all offset operators and all operators within 1,500 feet of said well, as required by the provisions of said Rule 5 (b).

A plat is attached hereto showing to the best of our knowledge and belief the proposed unit, the location of the No. 3 well and other wells on the lease, offset wells and ownership thereof.

The granting of this application is in the interest of preventing waste and the protection of correlative rights.

In view of the facts set out herein it is respectfully requested that the Commission enter an order approving the proposed dual completion and non-standard proration unit both as described above.

Yours very truly,

  
R. L. Adams  
Division Superintendent  
of Production  
New Mexico Division