50 YEARS



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE November 12, 1985



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

TONEY ANAYA GOVERNOR

> Hanson Operating Company, Inc. P. O. Box 1515 Roswell, New Mexico 88202-1515

Attention Mr. Ray Willis

Re: Max Gutman Well No. 5, Unit N Section 19, T-22-S, R-38-E Blinebry Oil & Gas Pool

Dear Mr. Willis:

As discussed with you in a telephone conversation on November 8, 1985, we will be unable to approve Form C-104 and assign an oil allowable in the Blinebry Oil & Gas Pool for the subject well and Form C-104 is being held without approval at this time.

As we pointed out in the telephone conversation, the SE/4 SW/4 of Section 19, in which your well is located, is presently dedicated as a gas proration unit for the Chevron U.S.A. Inc. Gutman No. 1. Since the special rules for the Blinebry Oil & Gas Pool prohibit the dual dedication of acreage to oil and gas wells in the pool, an oil allowable cannot be assigned for your well so long as the Chevron well has a gas allowable.

Please advise as to your intent in this regard.

Yours very truly,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District 1

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