DOYLE HARTMAN Oil Operator SUITE 508

C & K FETROLEUM BUILDING MIDLAND, TEXAS 79701

> (915) 684-4011 July 17, 1978

New Mexico Oil Conservation Commission P. C. Box 2088 Santa Fe, New Mexico 87501

Attention: R. L. Stamets

Re: Request for Non-Standard Proration Unit and Non-Standard Location Highland State No. 1 NW/4 SE/4 and E/2 SW/4 Sec. 16, T-23-S, R-36-E Lea County, New Mexico

Gentlemen:

Cn July 16, 1978, I completed my Highland State No. 1 well as a gas producer in the Jalmat Pool from the Yates formation between 3115 - 3225. The subject well is located 1650 FSL and 1980 FEL Section 16, T-23-S, R-36-E, Lea County, New Mexico. Since the total acreage dedicated to the subject well is less than the prescribed 640-acre spacing for the Jalmat (Gas) Pool, I am requesting that the NMOCC approve a 120-acre non-standard proration unit for the subject well consisting of the NW/4 SE/4 and E/2 SW/4 Section 16.

Furthermore, as indicated on the attached plat, the Highland State No.1 was drilled as a twin-producer to Shell Oil Company's previously plugged State "A" No. 1 located 1980 FSL and 1980 FEL of Section 16. In an effort to minimize any possible interference with the State"A" No. 1 well bore during drilling and completion operations, the Highland State No. 1 was moved 330 feet south of the State "A" No. 1 well site. Because the new wellsite is considered by the NMOCC to be a non-standard gas location, I also wish to request at this time approval from the NMOCC for a non-standard Jalmat (Gas) location for my Highland State No. 1

Three copies of a plat showing the location of my well and the outline of the proposed spacing unit are enclosed.

Copies of this application and plat have also been sent to all offsetting operators owning dry gas rights. A list of these operators is as follows:

Page 2 R. L. Stamets July 17, 1978

Texas Pacific Oil Company P. O. Box 4067 Midland, TX 79701

Attn: Jack D. Larremore, Regional Land Manager

Gulf Oil Corporation P. O. Box 1150 Midland, TX 79701

Attn: Kenneth L. Jones Land Agent

Petroleum Corporation of Texas P. O. Box 911 Breckenridge, TX 76024

Attn: Jimmy Phillips

John Yuronka 102 Petroleum Building Midland, TX 79702

Texaco, Inc. P. O. Box 3109 Midland, TX 79701

Attn: Webb H. McDaniel Senior Land Representative

Dallas McCasland P. O. Box 206 Eunice, New Mexico 88231

Highland Production Company P. O. Box 6725 Odessa, TX 79762

Attn: Marvin Smith

Sincerely yours,

Doyle Hartman

DH/mv Enclosures as above