ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE

GARREY CARRUTHERS GOVERNOR December 30, 1988

POST OFFICE BOX 1980 HOBBS, NEW MEXICO B8241-1980 (505) 393-6161

Penroc Oil Corporation P.O. Box 5970 Hobbs, NM 88240

Re: Recompletion to Jalmat T-Y-SR Pool J.C. Johnson #5-C Sec. 20, T23S, R37E

Dear Merch:

The recompletion of the above-referenced well from the Langlie Mattix to a Jalmat oil well will require that the 320-acre NSP-559 be reduced to 280 acres.

An oil allowable is being assigned to the #5 well and you should make application to our Santa Fe office for the reduction of NSP-559 to 280 acres as soon as possible.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

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