STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

GARREY CARRUTHERS

July 12, 1990

POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88241-1980 (505) 393-6161

Mr. Ken Freeman Tahoe Energy Inc. 3909 West Industrial Avenue Midland, TX 79703

Re: King Foundation et al #1-E Sec. 20-T24S-R37E W.H. Harrison "C" WN #3-L Sec. 20-T24S-R37E W.H. Harrison "C" WN #5-K Sec. 20-T24S-R37E Jalmat Pool R-9098 (240-acre MWU)

Gentlemen:

Order R-9098 authorized a 240-acre non-standard proration unit to be dedicated to the above-referenced wells. If you will notice the gas proration schedule does not have a method of handling multi-well units (MWU) with two different lease names so all these wells are appearing as King Foundation.

In order to better reflect the correct lease name for these wells you should change the lease name for all three wells to: King-Harrison "C" Gas Com. You can leave the well numbers as they are or you can number them consecutively.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

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