

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

October 9, 1979

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

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

Maralo, Inc.
P. O. Box 832
Midland, Texas 79702

Attention Mr. Dick Lowery

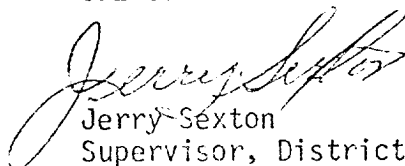
Gentlemen:

We have this date approved Forms C-104 and C-105 granting a testing allowable in the amount of 20 BOPD for the Jalmat Yates Unit Well No. 20 located in Unit D of Section 18, T-25-S, R-37-E, for a period of 90 days pending the outcome of a hearing to authorize the unorthodox location for a producing well. Approved copies of these forms are attached.

We wish to call to your attention, however, that this well apparently has perforations open in both the Jalmat and Langlie Mattix Pools. Therefore, prior to establishing a permanent allowable for the well, it will be necessary to either confine the perforations to one pool, or to obtain authorization for commingling in the well-bore.

Yours very truly,

OIL CONSERVATION DIVISION


Jerry Sexton
Supervisor, District 1

mc
cc-R. L. Stamets
OCD, Santa Fe