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July 3, 1984

Mr. Joe D. Ramey, Director
Oil Conservation Division
New Mexico Department of Energy
and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Application for Permit to Drill Winningham Well No. 9

Dear Mr. Ramey:

Reference is made to Division Order No. R-7525 dated May 15, 1984, which approved a 480-acre non-standard gas proration unit comprising the E/2 SE/4 of Section 19, and the E/2 and E/2 NW/4 of Section 30, Township 25 South, Range 37 East, N.M.P.M., Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to Doyle Hartman's Winningham Well No. 2 located in Unit P of Section 19, Wells Nos. 1 and 7 located in Units C and H, respectively, of Section 30, and Well No. 8, located at a bottomhole location in Unit I of Section 19, and Well No. 9 to be drilled in Unit B of Section 30.

It is our understanding that the Hobbs District Office has some question as to whether a drilling permit for the aforesaid Winningham Well No. 9 can be approved because the order does not specifically identify the No. 9 well as being at an unorthodox location.

We realize that Rule 5(B) of Order No. R-1670 as amended specifies the maximum acreage that can be dedicated to a well on a non-standard gas proration unit as follows:

<u>Location</u>	<u>Maximum Acreage</u>
660-660	160 acres
660-1980	320 acres