February 22, 1993

Mr. Mike Stogner Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources State Land Office Building P. O. Box 2088 Santa Fe, New Mexico 87504

> Re: Application of Tahoe Energy, Inc. for Approval of a 40 acre Non-Standard Jalmat Gas Pool Proration Unit Comprised of the NW/4 NW/4 of Sec. 19, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico

Dear Mr. Stogner,

Tahoe Energy, Inc. hereby makes application for approval of a non-standard Jalmat Pool proration unit comprised of the NW/4 NW/4 of Section 19, Township 25 South, Range 37 East N.M.P.M., Lea County, New Mexico. This non-standard unit will be dedicated the Junk Yard Dog No. 1 well located in the NW/4 NW/4 of said Section 19.

A non-standard unit comprised of the NW/4 NW/4 of Section 19 had been dedicated to Junk Yard Dog #1 well in November 1991 but for a oil well. The production indicates that the well is a gas well, so therefore, we would like to make application for approval of a non-standard propration unit so as to reclassify the well.

Notice of this application has been provided by Certified Mail to all offsetting operators and all operators in Section 19, and their waiver of objection has been requested.

Enclosed for your review are copies of (1) a plat showing the proposed unit and operators in the affected area and (2) notice letters to all affected operators providing notice of this application as required.