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OFFICE FO 5-9692

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J. T. PADDHERORD FOR OCC 713 CRAVENS BUILDING OKLAHOMA CITY 2, OKLAHOMA 1054 JUL : 0 M 10:45 July 28, 1954

GEOLOGICAL ENGINEER

> New Mexico Oil Conservation Commission P. C. Box 245 Hobbs, New Mexico

> > Attention: Mr. A. L. Porter, Jr.

The fill

Re: R. Olsen No. 2 Hodge NW NW NE Sec. 8-245-37E Lea County, New Mexico

Dear Mr. Porter:

Mr. Howard Hogan et al owns the NW/4 Section 8-248-37E on which is located the Hogan et al No. 1 Jack in the C SW NW which is a dually completed well from the Yates and Queens Sands.

I operate and manage this property for Hogan et al.

R. Olsen is now in the process of completing the No. 2 Hodge from the Yates Sand as a gas well. The No. 2 Hodge is located in the NW NW NE Dection 8 which is a ten-acre space and is a direct off-set to our lease. The Olsen No. 2 Hodge is an unorthodox location and, to my knowledge, no hearing was set to approve or disapprove this location.

If the Clsen No. 2 Hodge is allowed to produce only gas from the Yates Sand, we believe the well should be pro-rated on the basis of 1/4th the gas take allowed a regular 40 acre spaced gas well.

Had there been a hearing scheduled for the unorthodox location of the Olsen No. 2 Hodge, we would have opposed the application.

Yours very truly.

J' T. Paddleford Geological Engineer

JIP/rm cc: Howard Hogan