

P. O. BOX 385

PHONE SHERWOOD 6-3451

G. REX HOLMES
303 BOOKER BUILDING

ARTESIA, NEW MEXICO
March 28, 1969.

RECEIVED

MAR 31 1969

O. C. C.
ARTESIA, OFFICE

Oil Conservation Commission
P. O. Drawer D D
Artesia, New Mexico 88210

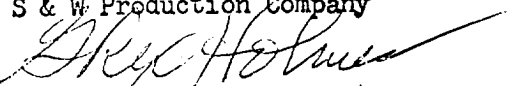
Gentlemen:

Re: Texaco Federal Lease
Well No. 1, Unit I
Well No. 2, Unit J
Section 6-19S-31E
Eddy County, N. M.
Shugart Pool

We report that the Number 2 well on the captioned lease was discontinued as an oil producing well on March 1, 1969 to become a water injection well in a flood program.

The number 1 well produces approximately one barrel of water per day which is drawn off into a pit for evaporation.

Respectfully submitted,
S & W Production Company


By G. Rex Holmes - Agent