

Case Number.

4212

Application

Transcripts.

Small Exhibits

ETC.

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 10, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of General American
Oil Company of Texas for an un-
orthodox oil well location, Eddy
County, New Mexico

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)
)
) Case No. 4212
)
)
)
)

BEFORE: Daniel Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Case 4212.

MR. HATCH: Case 4212. Application of General American Oil Company of Texas for an unorthodox oil well location, Eddy County, New Mexico.

MR. RUSSELL: I am John F. Russell, Roswell, New Mexico, appearing on behalf of the Applicant. I have one witness.

(Witness sworn.)

(Whereupon, Applicant's Exhibits 1 through 3 were marked for identification.)

ROY CROW

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Will you please state your name, address, name of your employer and the capacity in which you are employed?

A My name is Roy Crow. I live at Artesia, New Mexico. I am employed by the General American Oil Company of Texas as District Engineer and Assistant Superintendent for the New Mexico-California District.

Q And you have previously qualified to give testimony before the Commission and the examiners, have you not?

A I have.

Q Are you familiar with the application in Case 4212?

A I am.

Q What is sought by that application?

A We seek to get approval of an unorthodox location for producing oil well within our Grayburg Jackson Premier Sand Waterflood Unit which was formerly approved by Order R-2749.

Q Now, I refer you to what has been marked as Applicant's Exhibit No. 1 and ask you what that reflects?

A Exhibit No. 1 is a plat with the outline in red being the boundary of our Premier Waterflood Unit approved under the Order R-2749.

The plat also indicates the proposed location of the unorthodox well as being 1259 from the west line, 1815 from the south line of Section 27, 17 south, 30 east, Eddy County, New Mexico.

Q Now, this well is going to be drilled as a producer for the unit, is it not?

A Yes, it is.

Q What distance will this location be from the nearest boundary of the unit?

A This location will be approximately sixteen hundred feet from the nearest unit boundary.

Q Now, in what formation or formations do you contemplate completing this well?

A The well will be completed in the Premier Sand, which will possibly encounter two Lindseys, but as far as the Commission is concerned it's just considered the Premier Sand.

Q Now, I refer you to what has been marked as Applicant's Exhibit No. 2 and ask you what that reflects?

A Exhibit No. 2 is an isopach of the gross upper Premier Sand within the unit area which we are talking. It indicates the productive limit of the upper and the lower.

The Exhibit No. 3 will be the lower sand and -- but the limit here which was made before logs were available in this area. We only had the old drillers data and it may prove that these limits are not exactly as drawn upon this map which we also tend to evaluate with this well.

Q I refer you to what has been marked as Applicant's Exhibit No. 3 and ask you to explain what the reflects.

A Exhibit No. 3 is also an isopach of the gross lower sand with its limiting border, which is, of course, approximately nearly the same as the upper productive limit slightly different but as similar area here where we feel the pinch out may occur and also again we are trying to establish if we may get production in both Lindseys in this proposed well.

Q Now summarizing, why is it that you want to drill the well at the location you have asked for?

A I'll refer the Examiner back to Exhibit No. 1 and note that our Maddren B Well No. 2 and our Maddren B Well No. 4, which are on either side of the proposed well are not drilled in the center of the 40 dedicated to them, one being to the east and one being to the west which leaves a rather large area in between these two producing wells which we have reason to feel that there may be considerable oil trapped in this area and we do not feel we can justify the well unless we can locate it in the center of this area where we feel we may recover the most oil; which otherwise, possibly may not be recovered from the economic life of the present waterflood.

Q All of the owners of interest in the unit would participate in the production from this well, would

they not?

A This is correct.

Q In your opinion the location requested will prevent waste in that it will recover oil which would otherwise be left in the ground and also will protect the correlative rights of the various owners of interest in the unit?

A This is correct.

Q Were Exhibits 1, 2 and 3 prepared by you or under your supervision and direction?

A They were.

MR. RUSSELL: At this time I offer into evidence Applicant's Exhibits 1, 2 and 3.

MR. NUTTER: Applicant's Exhibits 1 through 3 will be admitted into evidence.

MR. RUSSELL: I have no further questions of this witness.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Crow, which are the water injection wells on Exhibit No. 1?

A I am sorry I did not note. They are the wells which have the additional circle.

Q So, up here north of your proposed location that No. 1 well, the No. 6 well and then over to the northwest right there on the lease name ---

A No. 2.

Q --- is evidently an injection well there?

A Yes, sir.

Q And then to the southwest under the word "American?"

A That's right.

Q That's a water injection well?

A It is a peripheral pattern.

Q And then down here ---

A Beason B 1.

Q Beason B No. 1 is an injection well and G No. 1 is an injection well and No. 2 and then General American 8 and 9 in Section 27?

A That's correct.

Q So, you have a peripheral type pattern here. Then there is another 9 --- there is an 8 and 9 to the southeast and a No. 9?

A Those are Arnold 8 and 9. I'm sorry this plat --- I believe it depicted a little better --- all your wells on the structure map, your injection wells in the --- but, this is correct.

Q So, what you are attempting to do here is fill in a large voided area- it's an area void of wells, I should say.

A That is correct.

Q Then, it would be expected that this well would receive response from injection wells 1 and 6 to the north then?

A This is correct.

Q Are those two wells up there injecting into both of these pays, the upper and the lower?

A The Arnold D 1, we did not have the logs at original completion time and all the wells were shot so we ran logs at the time of unitization and the log characteristics are not near as good in the shot hold as they would have been but the best we can determine this Arnold D 1 to the northeast is only probably going to be effective in the lower zone; whereas, this Arnold D 6 apparently is taking water in both zones and the proposed well, this Maddren B 2 below No. 6 actually correlates to be -- had a show in the upper, but most of its product came from the lower, whereas, the No. 4 to the east apparently is only productive in the upper and did not penetrate the lower. So, we feel as well as being in the center of

this void that this well will give us access possibly to tap both stringers which --

Q It would be the only one there that would tap both of them then?

A We are not in a position here to feel like either 2 or 4 to be receiving response in both. It's either one or the other and we feel there may be a considerable amount of oil trapped in either one or both zones in that particular area.

Q I see.

MR. NUTTER: Are there any further questions of the witness? He may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Russell?

MR. RUSSELL: I have nothing further, Mr. Nutter.

MR. NUTTER: Does anyone have anything they wish to offer in Case 4212? We will take the case under advisement. Call Case 4213.

I N D E X

<u>WITNESS</u>	<u>PAGE</u>
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Applicant's Exhibits 1 through 3	2
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STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, GLENDA BURKS, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

Glenda Burks
 Notary Public

My Commission Expires:

March 12, 1973

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4212, heard by me on 9/10, 1969.

[Signature] Examiner
 New Mexico Oil Conservation Commission

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4212, heard by me on 9/10, 1969.

[Signature] Examiner
 New Mexico Oil Conservation Commission

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4212
Order No. R-3838

APPLICATION OF GENERAL AMERICAN OIL COMPANY
OF TEXAS FOR AN UNORTHODOX OIL WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 10, 1969,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of September, 1969, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, General American Oil Company of
Texas, is the operator of the Grayburg Jackson Premier Unit Water-
flood Project in the Grayburg-Jackson Pool, Eddy County, New
Mexico.

(3) That the applicant seeks authority to drill its Maddren
"B" Well No. 12, a producing oil well as an infill well in said
waterflood project at an unorthodox location 1815 feet from the
South line and 1295 feet from the West line of Section 27, Town-
ship 17 South, Range 30 East, NMPM, Grayburg-Jackson Pool, Eddy
County, New Mexico.

(4) That approval of the proposed location should increase
the efficiency of the Grayburg Jackson Premier Unit Waterflood

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CASE No. 4212
Order No. R-3838

Project and result in greater ultimate recovery of oil, thereby preventing waste.

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, General American Oil Company of Texas, is hereby authorized to drill its Maddren "B" Well No. 12, a producing oil well as an infill well in the Grayburg Jackson Premier Unit Waterflood Project Area at an unorthodox location in the Grayburg-Jackson Pool 1815 feet from the South line and 1295 feet from the West line of Section 27, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMILLO, Member

A. L. PORTER, Jr., Member & Secretary


esr/

Docket No. 25-69

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 10, 1969

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or
Elvis A. Utz, Alternate Examiner:

CASE 4210: Application of Mobil Oil Corporation for a special gas-oil ratio limitation, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 506 of the Commission Rules and Regulations to provide for a limiting gas-oil ratio in excess of the existing ratio of 2000 cubic feet of gas per barrel of oil in the Lightcap (Devonian) Pool, Chaves County, New Mexico.

CASE 4211: Application of Mobil Oil Corporation for a special gas-oil ratio limitation, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 506 of the Commission Rules and Regulations to provide for a limiting gas-oil ratio in excess of the existing ratio of 2000 cubic feet of gas per barrel of oil in the Lightcap-Pennsylvanian Pool, Chaves County, New Mexico.

CASE 3857: (Reopened)

In the matter of Case No. 3857 being reopened pursuant to the provisions of Order No. R-3504, which order established 160-acre spacing units and 80-acre proportional factors of 4.77 for the Tulk-Pennsylvanian Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on less than 160-acre spacing units and why the 80-acre proportional factor of 4.77 should or should not be retained.

CASE 4212: Application of General American Oil Company of Texas for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Maddren "B" Well No. 12, a producing oil well, at an unorthodox location 1295 feet from the West line and 1815 feet from the South line of Section 27, Township 17 South, Range 30 East, as an infill well in its Grayburg Jackson Premier Unit Waterflood Project area, Grayburg-Jackson Pool, Eddy County, New Mexico.

CASE 4213: Application of Texo Oil Company for pool redelineation, creation of a new gas pool, an unorthodox gas well location, and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the redelineation of the vertical limits of the South Corbin-Queen Pool to permit the

(Case 4213 continued)

creation of a new basal Penrose gas pool for its Buffalo unit Well No. 11 located at an unorthodox gas well location 2310 feet from the South line and 330 feet from the West line of Section 35, Township 18 South, Range 33 East, Lea County, New Mexico. Applicant further seeks approval of an 80-acre non-standard gas proration unit comprising the N/2 SW/4 of said Section 35, to be dedicated to the above-described well.

CASE 4214: Application of Amerada Hess Corporation for approval of an unorthodox injection well location and the amendment of Order No. R-2197, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox water injection well location for its Langlie-Mattix Woolworth Unit Well No. 710 at a point 1950 feet from the North line and 50 feet from the East line of Section 27, Township 24 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico. Applicant also seeks further amendment of Order No. R-2197 to provide for an administrative procedure whereby additional injection wells might be approved at locations no closer than 50 feet to the outer boundary of the unit area.

CASE 4215: Application of Standard Oil Company of Texas to directionally drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Smith Federal Well No. 1, a wildcat located 1650 feet from the South and East lines of Section 34, Township 20 South, Range 24 East, Eddy County, New Mexico. Said well was drilled to a total depth of 7845 feet. Applicant proposes to plug the well back to approximately 5500 feet, set a whipstock at said depth and directionally drill to a depth of approximately 7800 feet to bottom said well in the Cisco formation at a point approximately 200 feet East of the present bottom hole location.

CASE 4216: Application of Tamarack Petroleum Company, Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Northeast Pearl-Queen Unit Area comprising 920 acres, more or less, of State and fee lands in Sections 15, 22, 23, and 24, Township 19 South, Range 35 East, Pearl-Queen Pool, Lea County, New Mexico.

Examiner Hearing - September 10, 1969

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Docket No. 25-69

CASE 4217: Application of Tamarack Petroleum Company, Inc. for a water-flood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a water-flood project in its Northeast Pearl-Queen Unit Area by the injection of water into the Queen formation through eight wells located in Sections 15, 22, 23, and 24, Township 19 South, Range 35 East, Pearl-Queen Pool, Lea County, New Mexico.

CASE 4181: (Continued from the August 6, 1969, Examiner Hearing)

Application of J. M. Huber Corporation for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete it Stoltz Federal Well No. 1 located in Unit J of Section 12, Township 15 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Morton-Wolfcamp Pool and the disposal of produced salt water through the 8 5/8 X 4 1/2-inch casing-casing annulus into the San Andres, Tubb, Abo, and possibly other formations in the open-hole interval from approximately 4330 feet to 9750 feet.

EXHIBIT "1"

General American Oil
Company of Texas

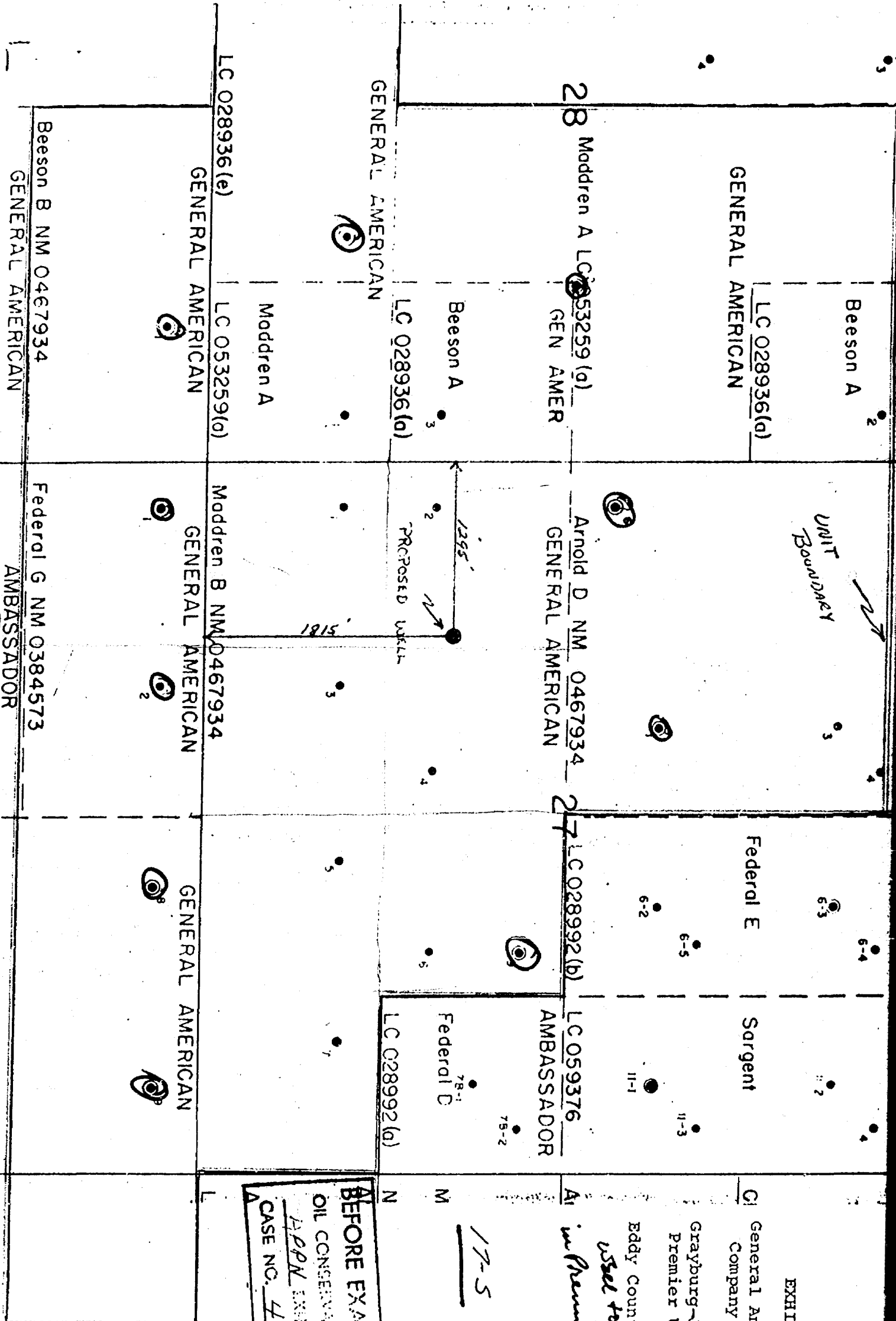
Grayburg-Jackson
Premier Unit

Eddy County, New Mexico
used to be sample
in Premier Sand

17-5

N M

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
APPN EXHIBIT NO. 1
CASE NO. 4212



LAW OFFICES OF
JOHN F. RUSSELL
412 HINKLE BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO 88201

August 15, 1969

18 AUG 1969
TELEPHONE 622-4641
AREA CODE 505

Case 4212

Mr. A. L. Porter
Secretary
New Mexico Oil Conservation
Commission
State Land Office
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

I transmit herewith an application of General American Oil Company of Texas for a nonstandard oil well location. It is requested that this be set for hearing on the September 10th docket.

Respectfully yours,

John F. Russell
John F. Russell

JFR:dn

Attachment

DOCKET MAILED

Date 8-28-69

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
GENERAL AMERICAN OIL COMPANY OF TEXAS)
FOR APPROVAL OF AN UNORTHODOX LOCATION)
FOR ITS MADDREN "B" NO. 12 WELL TO BE)
LOCATED 1,295 FEET FROM THE WEST LINE)
AND 1,815 FEET FROM THE SOUTH LINE OF)
SECTION 27, TOWNSHIP 17 SOUTH, RANGE)
30 EAST, EDDY COUNTY, NEW MEXICO.)
SAID WELL IS TO BE A PRODUCING WELL)
IN THE GRAYBURG-JACKSON PREMIER SAN)
WATERFLOOD UNIT.)

No. 4212

APPLICATION

COMES NOW the Applicant, General American Oil Company of Texas, by its attorney, John F. Russell, and states:

1. Applicant is the operator of the Grayburg-Jackson Premier Sand Waterflood Unit authorized by Order No. R-2749 of the Commission.

2. Applicant proposes to drill its Maddren "B" No. 12 well at a location 1,295 feet from the West line and 1,815 feet from the South line of Section 27, Township 17 South, Range 30 East, Eddy County, New Mexico. Said well is to be a producing well in the aforesaid Waterflood Unit and will be located 1,600 feet from the nearest boundary of the Unit.

3. The proposed well will be completed in the Premier Sand at an approximate depth of 3,230 feet.

4. Exhibit "A" is attached hereto and made a part hereof reflecting the Unit boundaries of the Grayburg-Jackson Premier Sand Waterflood Unit and the proposed location of its

Maddren "B" No. 12 well.

5. The granting of this Application will allow for maximum recovery of oil from the Unit and will protect correlative rights.

WHEREFORE Applicant requests the Commission to set this matter down for hearing before one of its examiners, to publish notice as required by law, and after hearing issue its order authorizing the drilling of the well at the location prayed for herein.

Respectfully submitted,

GENERAL AMERICAN OIL COMPANY
OF TEXAS

By: John F. Russell
John F. Russell its Attorney
P. O. Box 640
Roswell, New Mexico 88201

EXHIBIT "A"

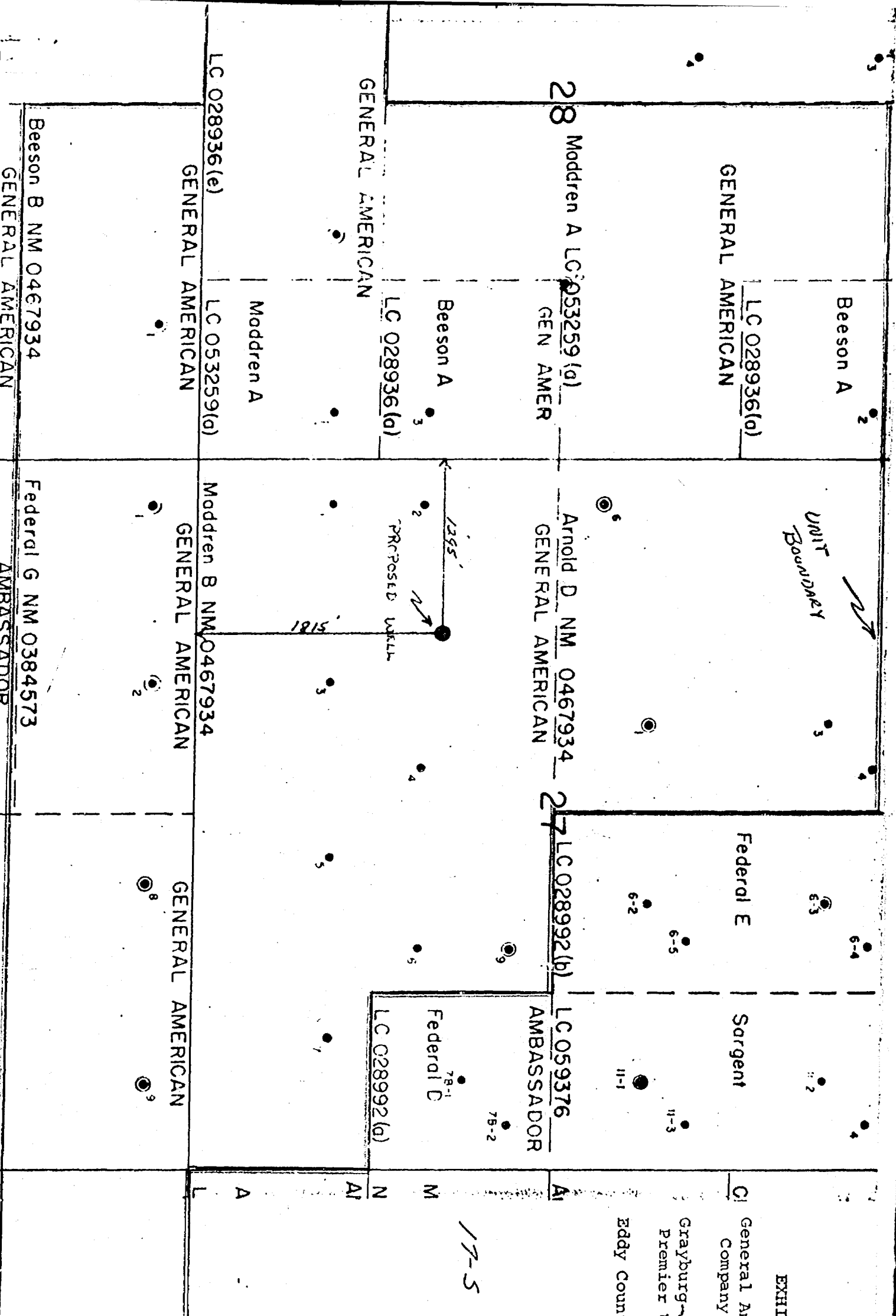
General American Oil
Company of Texas

Grayburg-Jackson
Premier Unit

Eddy County, New Mexico

17-5

Case 4/2/2



Beeson A
LC 028936(a)
GENERAL AMERICAN

Moddren A
LC 053259(a)
GEN AMER

Beeson A
LC 028936(a)

Moddren A
LC 053259(a)

Moddren B
NM 0467934
GENERAL AMERICAN

Moddren C
NM 0467934
GENERAL AMERICAN

Federal D
NM 0467934
GENERAL AMERICAN

Federal E
LC 028992(b)
AMBASSADOR

Sargent
LC 059376
AMBASSADOR

Federal D
78-1
LC 028992(a)

Federal E
78-2

Grayburg-Jackson
Premier Unit

Eddy County, New Mexico

Beeson B
NM 0467934
GENERAL AMERICAN

Federal G
NM 0384573
AMBASSADOR

Beeson A
LC 028936(e)
GENERAL AMERICAN

Moddren A
LC 053259(a)
GENERAL AMERICAN

Moddren B
NM 0467934
GENERAL AMERICAN

Moddren C
NM 0467934
GENERAL AMERICAN

Federal D
NM 0467934
GENERAL AMERICAN

Federal E
LC 028992(b)
AMBASSADOR

Sargent
LC 059376
AMBASSADOR

Federal D
78-1
LC 028992(a)

Federal E
78-2

Grayburg-Jackson
Premier Unit

Eddy County, New Mexico

Beeson B
NM 0467934
GENERAL AMERICAN

Federal G
NM 0384573
AMBASSADOR

Beeson A
LC 028936(e)
GENERAL AMERICAN

Moddren A
LC 053259(a)
GENERAL AMERICAN

Moddren B
NM 0467934
GENERAL AMERICAN

Moddren C
NM 0467934
GENERAL AMERICAN

Federal D
NM 0467934
GENERAL AMERICAN

Federal E
LC 028992(b)
AMBASSADOR

Sargent
LC 059376
AMBASSADOR

Federal D
78-1
LC 028992(a)

Federal E
78-2

Grayburg-Jackson
Premier Unit

Eddy County, New Mexico

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4212

Order No. R-3828

APPLICATION OF GENERAL AMERICAN OIL COMPANY
OF TEXAS FOR AN UNORTHODOX OIL WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 10, 1969,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of September, 1969, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, General American Oil Company of
Texas, is the operator of the Grayburg Jackson Premier Unit Water-
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(3) That the applicant seeks authority to drill its Maddren
"B" Well No. 12, a producing oil well as an infill well in said
waterflood project at an unorthodox location 1815 feet from the
South line and 1295 feet from the West line of Section 27, Town-
ship 17 South, Range 30 East, NMPM, Grayburg-Jackson Pool, Eddy
County, New Mexico.

(4) That approval of the proposed location should increase
the efficiency of the Grayburg Jackson Premier Unit Waterflood

Project and result in greater ultimate recovery of oil, thereby preventing waste.

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, General American Oil Company of Texas, is hereby authorized to drill its Maddren "B" Well No. 12, a producing oil well as an infill well in the Grayburg Jackson Premier Unit Waterflood Project Area at an unorthodox location in the Grayburg-Jackson Pool 1815 feet from the South line and 1295 feet from the West line of Section 27, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

CASE 4213: Appli. of TEXO FOR
POOL REDELINEATION, NEW GAS POOL,
UNORTH. LOC. & NON-STANDARD UNIT.

Don't forget to