OIL CONSERVENDIVISION REALIED SAMEDAN OIL CORPORATION 22/ PM 8 35 12600 NORTHBOROUGH, SUITE 250 HOUSTON, TEXAS 77067-3299 (713) 876-6150

February 17, 1994

Oil Conservation Division PO Box 2088 Santa Fe, New Mexico 87504-2088

Attn: William LeMay:

RE: Down hole Commingling Sarah B Well #3 Unit M, Sec 1, T-23-S, R-37-E Cline - Tubb Cline - Lower Paddock/Blinebry

Samedan Oil Corporation requests administrative approval for the down hole commingling of the above mentioned pools.

We have enclosed the following:

- 1) Area Plat showing ownership of offsetting leases.
- 2) Plat showing acreage dedicated to the well.
- 3) Names and addresses of offsetting operators and a copy of the letter notify them and the United States Bureau of Land Management of our intention.
- 4) Division Form C-116 showing 24-hr productivity test from each zone.
- 5) Well History and Prognostication of Future Production.
- 6) Estimated BHP for each Artificially Lifted Zone.
- 7) Fluid Description of each Zone.
- 8) Values of Production.
- 9) Recommended formula for Allocation of production.

We appreciate your consideration in this matter. If you have any questions please call.

Thank you,

udy Throneberry

attachments

xc: OCC - Hobbs District BLM - Carlsbad, NM

滚 Β. Ameraad 53 Aztecrio Aztec T07976 NCT-4 4 A acp A Fluor 11.1.65 Fluor U.S. 33 нвр 3 Dual 1 17 Brineor JTTJ Statel E 6143 Highland Dual S TIA Blanche E. Boyd, M.I. 26 1040 E-6143 TIA P92 Tom Linebary, (S) Geo. W. Sims, etal (S) Tom Evelyn Linebery For Triple We Seely Oiling, (M. 1068 HB Seely Oiling, (M. 1068 HB S/R Chowner, 73424, V. V.S.M.S. Gulf. St. 1-Leo-St. etol (S) F. Com Seel: O. ILLES IN BALL 111114 13 addates 1 4145.46Ar 1 44 36 44 J Dual John Chevron H 8 P Blair & Chevron 031332 CEEEed TomEEvelynLinetwiryFdn. El 2001 | Six Aeches N V Pike etal 2 - A D Tom & Everyn Linebery Fun "Pike" 06 .Conden 5D. Young Houme 2. 1. 80 4.1.92 Seely Oil Citgo St. 1 Lineberys 17 Six Aeches Dev 7320 Ell 9378 D/4 1.9-62 Six Aeches 5/R K-[™]¥1 -2 LH-1537 H.B.P. (borth 1 Inter-**\$**2 Ana. Priton Coast Gulf-St." Sims right 063564 "Ellioft 5.0. / Atl.Rich. (11 -6-Millord Deck Sorah B. Hughes MeridiantYoung We: 103720 Foo A.R CO. WN A.R Co etal S/R (Snmedan oper) ሳ HBP HBP Petro-search Gun-st. HBP H.B.P. 2 . 1.80 5 063557 Porcell Amerada 01076 1 2244 063357 11130 10 đì M.R. HBP S A GHI 40 Ac. MC Culloch Qi M2 Mon. Drow SUM Antwell B-1431 Guif St. B-1431 TOTITS Store AN Pet.etal h Sims, Setol B6179 Six Aeches Oil 27 IA R Co. Tue Dil I S/a SAMEDAN 1 HBP ٥ 4 41 M. Lecho Guir-St. K-3424 TIA4500 I NBP 1063557 ies W Simspetal 063564 * 🖲 3-B LV Sims, etol(S) Ann Morris (Saron B. Phillips Rutledge 1 W P. Sims TD. 3658 (I.N. Morris) SMGrunberg 9 0 UN Morris Bill Stopker, etal Maxus Expt. Hughes) HBP Bill Stopled JG-20 etal Prop. Tierra to 7100' 3 4 . 1 . 96 etai Tierra Oil etai 54910 Samedar 2244 HBP Oper. 20 22 Shelly, DR **3e** KTierra HBP Etoi DR) S.M Poul F Rutledge, Chuza Pet Gambi 2244 inberg Mendian etal HBP Flot C Sharp ARCO SAMEDAN eta: S/R R.M. 1 1986 12 5 1 38 (916) 🗣 HBP Sharp Richardson,etol 069460 **269** R.D.Sims.etal Geu.W Sims, (5) 2.8 (Phillips) Sarch B. medan (1 Hughes Samedan Oper. Kelfon 1 JG 20 (Imp. Amer) Marathon 3.M. 7 - 1 - 95 5 - 1 - 93 80 Fed. Ali. Disc Somedan 1152(Sgroh Hughes) Proper 2 -Gib JG 20 Prop (Wa) Pibb Disc. ARCO (Curry Resources) 1 54910 61374 1 HBP 10 : 1 Chuza 77 Oper. HBP 1 . Dri 0324528 1053466 .. Sarah B Hughes 2244 Moreann Yates Het to Phillips Sorah Ma TEIK OH) Morathon | 11-1 90 4-1-94 03331 57296 J S. Min 223 Forn Elevelyn Linebor - For Samedan, Oper McCulloch EA A U.S. M.I. Tom EEvelyn Linebery Fan. Phillips-Kittion (Pre HBF 1011. 12 8-1 9! Abo 2244 o Crsc P 30 43515 Tom & EvelynLineberyFdn. US,MI (7 50) Gelly H8PI Yates Conoco Pet. etal 1 Pe **Q**' ...; • • • •tal 01751 1000 6 4 Cactus Contil-Cline Sunn Fed 030186 Maxus Expl. 4 - 1 - 96 86186 1010287 Merathon D/A 5 30 52 (Conoco, etal) 4 . 1 . 94 Fina O E,C (Tennech) Fed. Cline Dev. Disc. F228 Ϋ́, 57296 20 9 030186 13 14 18 \bigcirc Honogon Pet. Fed. 7010660 D/A1-3-68 U.S., M SAMEDAN OIL CORPORATION Tom & Evelyn Line Aztec OEG Meridian E, Fla. HBP SAMEDAN OIL CORPORATION E 8108 NO. 3 SARAH "B" Gulf H.B.P. LEA COUNTY, NEW MEXICO E-1451 1 24 SCALE: 1" = 2000' DATE: 1-94

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

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DISTRICT I

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

P.O. Box 1980, Hobbs, NM 88240

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

SAMEDAN OIL CORPORATION			Lease	SARA	AH B		Well No. 3	
Unit Letter Sect	ion	Township		Range			County	
м	1	23 SOU	тн		37 EAST	NMPM		LEA
Actual Footage Location	of Well:	<u> </u>		· ·				
330 feet from	the SOL	JTH line and		330		feet from	the WES	T line
Ground Level Elev.	Producing For		T	Pool		The Mon	<u></u>	Dedicated Acreage:
3263.8'		Paddock/Bli	nebrv	C	line			40 Acres
						Ab a mlat halam		ACIES
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2. if more than one	lease is dedica	ited to the well, or	utline each	and identify	the ownership	thereof (both	as to workin	ng interest and royalty).
3. If more than one unitization, force-		ent ownership is d	ledicated to	the well, ha	ve the interes	t of all owners	been consol	idated by communitization,
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otherwise) or until								
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Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

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DISTRICT I

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State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

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OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DD, Artesia, NM 66210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 1980, Hobbs, NM 88240

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator CANE			Lease	SARAH			Well No. 3
SAMEDAN OIL CORPORATION				SARAH B			
	tion	Township	Range			County	
M	1	23 SOUTH	<u>l</u>	37 EAST	NMPM		LEA
Actual Footage Location	50	1 ctu	330			the WES	Τ
330 feet from Ground Level Elev.	m the SU Producing Fo	UTH line and	Pool		feet from	the WLC	
3263.8'	Tubb		Clin	e			Dedicated Acreage:
		the subject well by c	olored pencil or bach	ure merke on the	e plat below.		Acres
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otherwise) or until	a non-standa	urd unit, eliminating	such interest, has l	been approved b	y the Divisi	on	
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DIRECT OFFSET OPERATORS

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AMERADA HESS CORPORATION 1201 Louisiana, Suite 700 Houston, Texas 77002

KELTON OPERATING COMPANY PO Box 276 Andrews, Texas 79714

NOTIFICATION:

BUREAU OF LAND MANAGEMENT PO Box 1778 Carlsbad, Nex Mexico 88221-1778 8

SAMEDAN OIL CORPORATION 12600 NORTHBOROUGH, SUITE 250 HOUSTON, TEXAS 77067-3299 (713) 876-6150

February 17, 1994

Bureau of Land Management PO Box 1778 Carlsbad, NM 88221-1778

> RE: Down Hole Commingling Sarah B Well #3 Unit M, Sec 1, T-23S, R-37E Lea County, NM Cline Tubb Zone Cline Lower Paddock/Blinebry Zone

This is to notify you of our application for administrative approval for down hole commingling of Tubb and Lower Paddock/Blinebry production in the Sarah B #3 Well. I have attached a copy of the application.

If you have any questions please contact Jim Trott at 713/876-6150.

Thank you,

ronikery

Judy Throneberry Division Production Clerk

attachments

xc: Oil Conservation Division Santa Fe, NM SAMEDAN OIL CORPORATION 12600 NORTHBOROUGH, SUITE 250 HOUSTON, TEXAS 77067-3299 (713) 876-6150

February 17, 1994

Amerada Hess Corporation 1201 Louisiana, Suite 700 Houston, Texas 77002

> RE: Down Hole Commingling Sarah B Well #3 Unit M, Sec. 1, T-23S, R-37E Lea County, NM Cline Tubb Zone Cline Lower Paddock/Blinebry Zone

This is to notify you as an offset operator of the Sarah B Lease Well #3, that we are applying for administrative approval for down hole commingling of Tubb and Lower Paddock/Blinebry production in the Sarah B #3 Well.

If you have any questions please contact Jim Trott at 713/876-6150. If you have no objections please sign and return the enclosed letter to the New Mexico Oil Conservation Commission in the self-addressed stamped envelope as soon as possible to expedite matters. Any objections must be filed with the Commission within 20 days of the date of this letter.

Thank you for your time and consideration in this matter.

Mornelien

Judy Throneberry Division Production Clerk

attachments

xc: Oil Conservation Division Santa Fe, NM SAMEDAN OIL CORPORATION 12600 NORTHBOROUGH, SUITE 250 HOUSTON, TEXAS 77067-3299 (713) 876-6150

February 17, 1994

KELTON OPERATING CORPORATION Post Office Box 276 Andrews, Texas 79714

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Throwbury

Judy Throneberry Division Production Clerk

attachments

xc: Oil Conservation Division Santa Fe, NM

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-116 Revised 1/1/89

OIL CONSERVATION DIVISION

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order that well can be assigned increased allowables when authorized by the Division. Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of	During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in	Instructions:	Sarah B	LEASE NAME		Address 00 Northborough, #2	Operator Samedan Oil Corporation	
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(See Rule 301, Rule 1116 & appropriate pool rules.)

Specific gravity base will be 0.60. Report casing pressure in lieu of tubing pressure for any well producing through casing.

(713)876-6150

Telephone No.

Date

Printed name and title 02/17/94

UTV Production clerk

P.O. Box 2088 Santa Fe, New Mexico 87504-2088 GAS - OIL RATIO TECT

DISTRICT II	Submit 2 copies to Appropriate
P.O. Drawer DD, Artesia, NM 88210	District Office.
DISTRICT III	DISTRICT1
1000 Rio Brazos Rd., Aztec, NM 87410	P.O. Box 1980, Hobbs, NM 88240

Energy, Minerals and Natural Resources Department State of New Mexico

Revised 1/1/89 Form C-116

OIL CONSERVATION DIVISION

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

GAS - OIL RATIO TEST

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Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Date

Printed name and title 02/17/94

(713)876-6150

Telephone No.

(See Rule 301, Rule 1116 & appropriate pool rules.)

Samedan Oil Corporation Sarah "B" No. 3 Commingling Justification Page 1

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5)	Sarah B No	o. 3 Well History
	Field:	Cline Tubb and Cline Lower Paddock/Blinebry
		330' FSL & 330' FWL Section 1, T-23-S, R-37-E Lea County, New Mexico
	Drilling (Contractor: Hondo Drilling
	8-16-93:	Spud 17 1/2" hole. Drilled to 815' Ran and cemented 13 3/8" H-40 casing at 902'. Circulated cement to surface.
	8-30-93: 8-31-93:	TD at 6300'. Began logging. Finish logging. Ran and cemented 5 1/2" 15.5# casing at 6300'. Cemented w/600 sacks cement. TOC at 1200' by bond log.
		Perf Tubb 6092-6190'.
	9-10-93:	Frac treat Tubb w/29,000 gals 40 Quality CO2 foam and 77,000# 20/40 sand.
		hru 9-14-93: Flowed well to recover load.
	9-15-93 t. 9-17-93:	hru 9-16-93: Cleaned sand out of wellbore. Ran tubing rods and pump.
		Set pumping unit.
		Pumped 66 bbls water.
		Pumped 15 BO, 144 BW, 5 MCFD Pumped 10 BO, 101 BW, 185 MCFD
		Pumped 10 BO, 84 BW, 185 MCFD
		Pumped 10 BO, 79 BW, 160 MCFD
		Pumped 15 BO, 5 BW, 131 MCFD
		Pumped 15 BO, 4 BW, 131 MCFD Pumped 15 BO, 5 BW, 121 MCFD
		Pumped 14 BO, 5 BW, 121 MCFD
		Pumped 12 BO, 5 BW, 110 MCFD
		Pumped 10 BO, 8 BW, 104 MCFD
		Pumped 15 BO, 13 BW, 104 MCFD
		Pumped 10 BO, 3 BW, 104 MCFD Pumped 8 BO, 3 BW, 78 MCFD
		Pumped 5 BO, 3 BW, 92 MCFD
	10-08-93:	Pumped 3 BO, 5 BW, 122 MCFD
	10-09-93:	Pumped 5 BO, 9 BW, 90 MCFD
		Pumped 8 BO, 5 BW, 81 MCFD Pumped 7 BO, 4 BW, 81 MCFD
		Pumped 5 BO, 4 BW, 81 MCFD
	10-16-93:	Pumped 6 BO, 5 BW, 81 MCFD
		Pumped 5 BO, 8 BW, 81 MCFD
	10-18-93: 10-29-93.	Pumped 7 BO, 6 BW, 81 MCFD Pulled tubing pump and rods.
	10-30-93:	Set CIBP at 6025' (above Tubb).
		Perf Blinebry 5600-5650'. Frac Blinebry w/33,000
		gals 40 Quality CO2 Foam + 83,000# 20/40 Ottawa
	11-3-93 +1	sand. hru 11-10-93: Flow to recover load.
		Run tubing pump and rods.
	11-12-93:	Pumped 22 BO, 67 BW, 227 MCFD
	11-13-93:	Pumped 27 BO, 92 BW, 227 MCFD
	11 - 15 - 93	Pumped 25 BO, 60 BW, 227 MCFD Pumped 23 BO, 45 BW, 189 MCFD
	11-16-93:	Pumped 23 BO, 40 BW, 189 MCFD
	11-17-93:	Pumped 22 BO, 40 BW, 189 MCFD
	11 - 18 - 93: 11 - 10 - 03 - 03	Pumped 21 BO, 35 BW, 189 MCFD
	11-20-93:	Pumped 23 BO, 30 BW, 189 MCFD Pumped 23 BO, 35 BW, 189 MCFD
	11-22-93:	Pumped 21 BO, 33 BW, 189 MCFD
	1-19-93:	Pumped 20 BO, 20 BW, 219 MCFD
	1-20-94:	Pumped 35 BO, 20 BW, 286 MCFD

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Samedan Oil Corporation Sarah "B" No. 3 Commingling Justification Page 2

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1-21-94:	Pumped	36 BO, 18	BW,	245	MCFD
1-22-94:	Pumped	30 BO, 26	BW,	243	MCFD
1-23-94:	Pumped	30 BO, 38	BW,	185	MCFD
2-07-94:	Pumped	18 BO, 20	BW,	135	MCFD
2-08-94:	Pumped	20 BO, 20	BW,	137	MCFD
2-09-94:	Pumped	20 BO, 19	BW,	134	MCFD
2-10-94:	Pumped	2 BO, 18,	вW,	79 N	ICFD
2-11-94:	Pumped	2 BO, 0 B	W, 10)9 M(CFD
2-12-94:	Pumped	2 BO, 0 B	W, 11	19 M(CFD
2-13-94:	Pumped	20 BO, 22	BW,	115	MCFD

5) Prognostication of Future Production

Production decline for both zones can be assumed to be similar. Estimated production for 1994 is submitted below based on a 10% annual decline for both zones.

1994 ESTIMATED PRODUCTION

TUBB				PADI	OCK/BLINE	BRY
MONTH	BO	BW	MCFD	BO	BW	MCFD
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC	217 215 213 212 210 208 206 205 203 201 200 198	186 184 183 181 180 178 177 175 175 174 173 171 170	2511 2490 2469 2428 2428 2408 2388 2368 2368 2348 2329 2309 2290	620 615 610 605 600 595 590 585 580 575 570 565	682 676 670 665 659 654 648 643 637 633 627 622	3565 3535 3476 3448 3419 3390 3362 3334 3306 3279 3251

ESTIMATED_COMBINED PRODUCTION

<u>MONTH</u>	BO	BW	MCFD
JAN	837	868	6076
FEB	830	860	6025
MAR	823	853	5974
APR	817	846	5925
MAY	810	839	5876
JUN	803	832	5827
JUL	796	825	5778
AUG	790	818	5730
SEP	783	811	5682
OCT	776	806	5636
NOV	770	798	5588
DEC	763	792	5541

6) Estimated BHP for Each Artificially Lifted Zone

The well bore will produce from the Tubb and Lower Paddock/Blinebry zones. Both producing zones will be artificially lifted. Measured BHP data for this well is not available. However, based on production rates and the fact that both zones require artificial lift, it is estimated that each zone will be relatively close to the same BHP. Cross flow will not occur due to the fact that production will be artificially lifted and no differential pressure will exist. Samedan Oil Corporation Sarah "B" No. 3 Commingling Justification Page 3

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7) Fluid Description of Each Zone

Tubb Zone: Crude Oil, 44.9 API @ 60°F Produced Water: SG = 1.055 @ 80°F, TDS - 10106 PPM Total Hardness: 19810 PPM

Lower Paddock/Blinebry Zone: Crude Oil, 48.3 API @ 60°F Produced Water: SG = 1.102 @ 60°F, TDS = 122744 PPM Total Hardness = 24545 PPM

Permission to surface commingle production from the Cline Tubb and Cline Lower Paddock/Blinebry zones was previously approved by the NMOCD for the Samedan operated Sarah "B" No. 1 & 2 under order PC-847. No adverse affects have occurred due to surface commingling. It is anticipated that fluid characteristics will not significantly change at BHP or temperatures and no adverse conditions would be created by down hole commingling.

- 8) For Values of Production
 - 1) Samedan owns and operates 100% of the Sarah B lease.
 - 2) Tubb Zone: Daily Production = 7 bbls oil Gravity @ 60 = 44.9 Sulfur = .378 Value = \$13.00 per bbl for sweet crude

Lower Paddock/Blinebry Zone:

Daily production = 20 bbls oil Gravity @ 60 = 48.3 Sulfur = .395 Value = \$12.49 per bbl for sweet crude

Commingled Oil: Expected gravity = 47.4 sweet crude Expected value = \$12.63 per bbl

- 3) The actual commercial value of the commingled production will be equal to the sum of the values of the production from each common source of supply.
- 9) Formula for Allocation of Production

Production was allocated based on the most recent gas-oil ratio test (Form C-116 attached) and it is felt this will continue to be representative.

	<u>Oil</u>	Gas	<u>Water</u>
Lower Paddock/Blinebry	74%	59%	79%
Tubb	26%	41%	21%



February 17, 1994

Adr Gall

New Mexico Oil Conservation Commission Post Office Box 2088 Santa Fe, New Mexico 87504

Attention: Mr. Bill LeMay

RE: Down Hole Commingling

This is to advise that we have been notified of Samedan Oil Corporation's application to down hole commingle the following described well in accordance with Commission regulations:

> Unit M, Sec. 1, T-23S, R-37E Lea County, New Mexico Sarah B Well #3 Cline - Tubb Cline - Lower Paddock/Blinebry

We, as an off-set operator, have no objection to the proposed down hole commingling of the Tubb and Lower Paddock/Blinebry.

Very truly yours,

KELTON OPERATING CORPORATION

BY: C. Dale Kelton, President

DATE: <u>March 9, 1994</u>

ON DIVISION CONSERV-ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENTED

AM 8 39 OIL CONSERVATION DIVISION , 94 FER 25 Hobbs district office

2-23-94

STATE OF NEW MEXICO

BRUCE KING GOVERNOR

POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88241-1980 (505) 393-6161

OIL CONSERVATION DIVISION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC		
DHC	X	
NSL		
NSP		
SWD		
WFX		· · · · · · · · · · · · · · · · · · ·
PMX		

Gentlemen:

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I have examined the application for the:

Saral Unit S-T-R Operator No.

and my recommendations are as follows:

Yours very truly derry Sexton

Supervisor, District 1

/ed