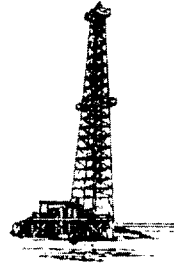


DEPCO, Inc.

Exploration & Production



800 Central
ODESSA, TEXAS 79760

1-11-79

New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico

Re: Application of DEPCO, Inc. to
expand its water flood project in
the Artesia Pool in Eddy County,
New Mexico

Dear Sir:

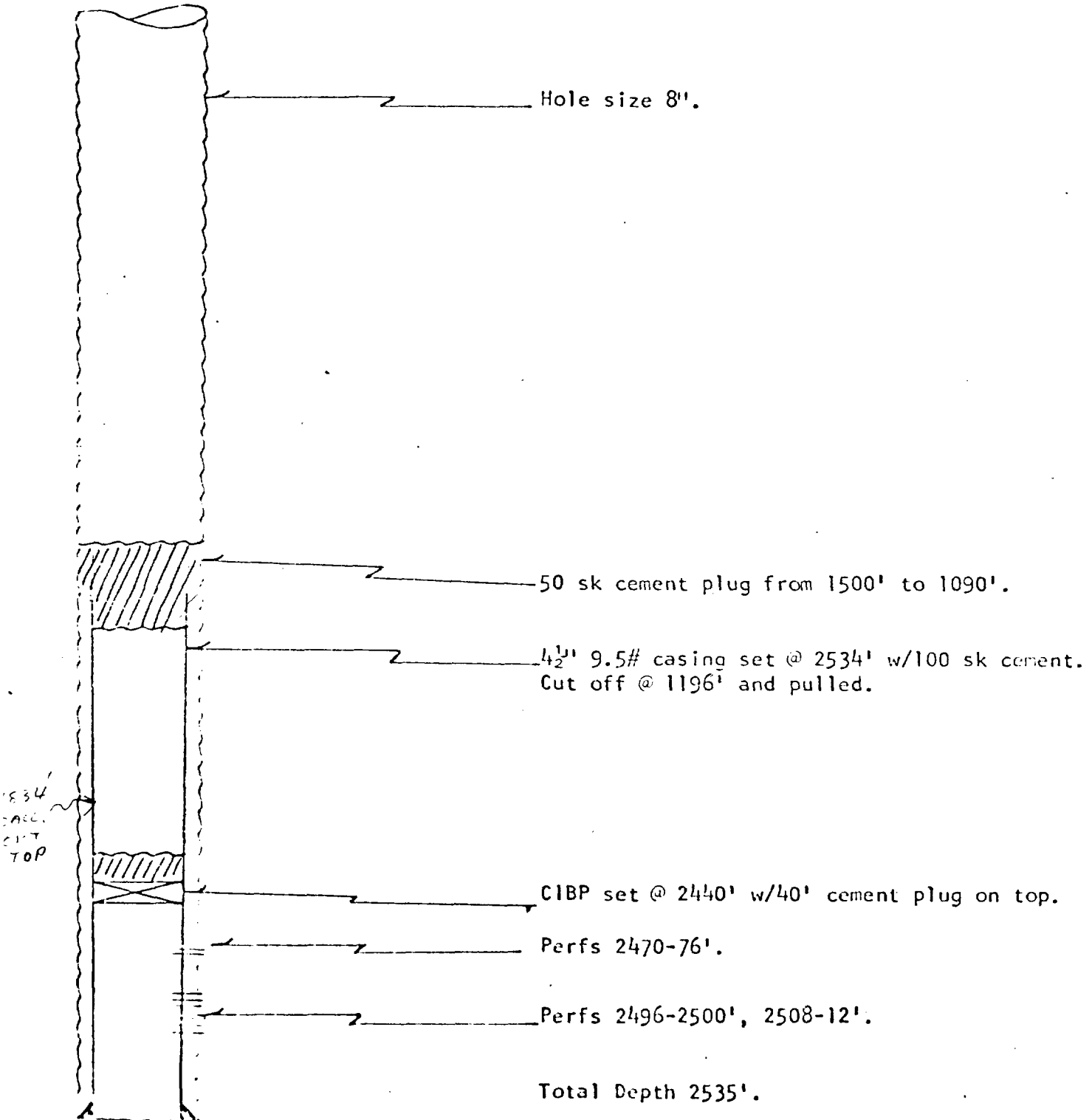
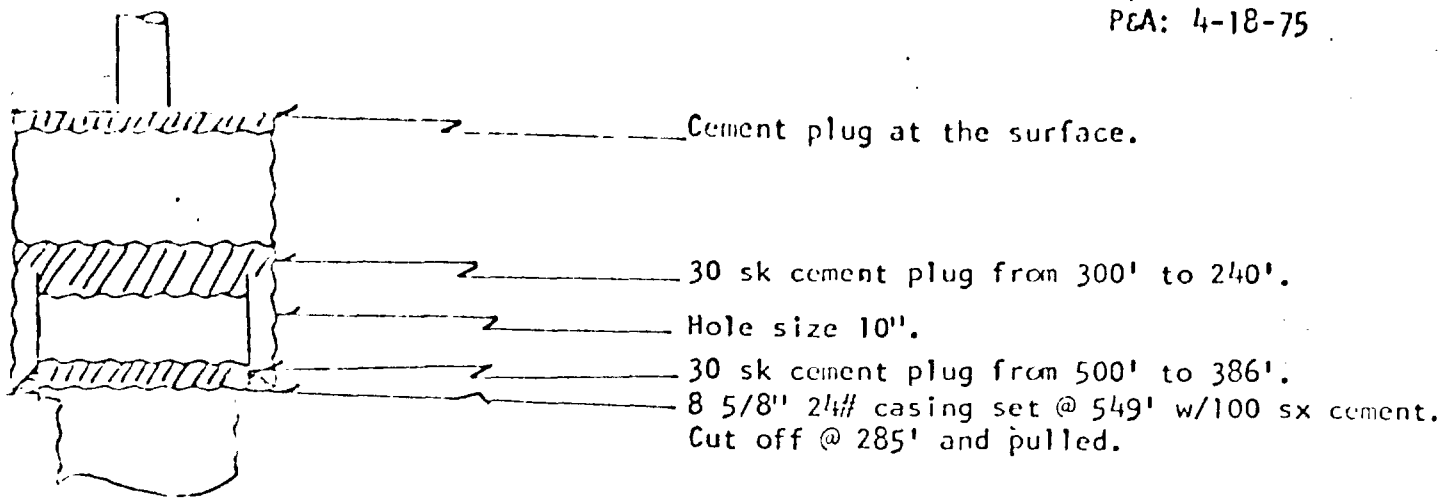
Concerning our phone conversation 1-11-79 about your request to replug the Artesia Unit Well No. 30. I have enclosed a well bore diagram of the well and a copy of the order.

Very truly yours,

A handwritten signature in cursive script that reads "Terrell Hansen". The signature is written in dark ink and is positioned above the printed name.

Terrell Hansen
Dist. Engr.

TH/vp



That the operator shall conduct step-rate tests on the above four injection wells and shall inject at a pressure less than formation fracture pressure.

That the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

That prior to injecting into Well No. 18, a plugged and abandoned well located in Unit O, Section 36, Township 17 South, Range 28 East, shall be re-entered and properly plugged.

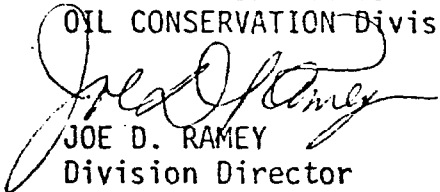
That prior to injection into Well No. 34, a plugged and abandoned well located in Unit O, Section 35, Township 17 South, Range 28 East, and a well located in Unit C, Section 2, Township 18 South, Range 28 East, shall be re-entered and properly plugged.

That the operator shall notify the supervisor of the Division's Artesia District Office before injection is commenced through said well;

That the operator shall immediately notify the Supervisor of the Division's Artesia District Office of the failure of the tubing, casing, or packer in said well or the leakage of water from or around said well and shall take such steps as may be timely or necessary to correct such failure or leakage.

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

STATE OF NEW MEXICO
OIL CONSERVATION Division


JOE D. RAMEY
Division Director

SEAL

DONNELLY DRILL
CO. #3

ARTESIA UNIT #30

P. WELCH ST. #1



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

November 21, 1978

Depco, Inc.
1025 Petroleum Club Building
Denver, Colorado 80202

Gentlemen:

Enclosed herewith please find Administrative Order
WFX No. 470 for the following described wells:

Artesia Unit Well No. 18 in Unit K of
Section 36, Township 17 South,
Range 28 East, NMPM, Eddy County, N. Mex.

Artesia Unit Well No. 24 in Unit I of
Section 34, Township 17 South, Range
28 East, Eddy County, N. Mex.

Artesia Unit Well No. 34 in Unit B
Section 2, Township 18 South, Range 28 East,
NMPM, Eddy County, N. Mex.

Artesia Unit Well No. 39 in Unit C of
Section 3, Township 18 South, Range
28 East, NMPM, Eddy County, N. Mex.

Very truly yours,

JOE D. RAMEY
Division Director

JDR/CU/og

cc: Oil Conservation Division
Drawer DD
Artesia, New Mexico

DEPCO, Inc.

PRODUCTION & EXPLORATION

November 3, 1978

Mr. Joe D. Ramey
State Petroleum Engineer
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: DEPCO, Inc.
Artesia Flood
Waterflood Expansion
Convert 4 Wells To Injection
No.'s: 18, 24, 34, and 39

Dear Mr. Ramey:

DEPCO, Inc. is asking the Commission to approve administratively the application to convert four (4) additional wells, numbers 18, 24, 34, and 39, to water injection in the Artesia Flood. These injectors are necessary to expand the flood. The Artesia Flood was approved by R-2876 and R-3311.

Injection will be into the Grayburg at an approximate depth of 2400 feet. Fresh water will be injected at approximately 300 barrels per day per well. The fresh water will be obtained from a system owned by the City of Carlsbad.

The location of each well to be converted to injection is marked on the attached plat. This plat shows the location of present injection wells. These wells are located as follows: No. 24 Unit I in Sec. 34-T17S-R28E, No. 18 Unit K in Sec. 36-T17S-R28E, No. 34 Unit B in Sec. 2-T18S-R28E and No. 39 Unit C in Sec. 3-T18S-R28E, Eddy County, New Mexico. These wells are necessary to complete injection patterns and expand the flood.

Enclosed for your information are copies of logs available over the Grayburg of these wells and a diagrammatic sketch of each well to be converted.

Yours very truly,

DEPCO, INC.

R. L. Flowers Jr.

R. L. Flowers, Jr.
Chief Engineer

Enc.

RLF:jz

*Nothing in previous orders about pressure maintenance.
17 injection wells.*