GEORGE W. STRAKE

3300 GULF BUILDING

HOUSTON, TEXAS

## RECEIVED

West Texas District Office POST OFFICE BOX 1108 WINTERS, TEXAS

## JAN 3 1961

January 29, 1960

D. C. C. ARTESIA, DEFICE

Mr. M. L. Armstrong New Mexico Oil Conservation Commission Oil Conservation Building Artesia, New Mexico

> Re: Transfer of Purchased Crude Oil

Dear Sir:

We sincerely appreciated your verbal approval by telephone to our Mr. J. W. Ward on December 27, 1960 to our request to transfer 364 barrels of load crude oil from the G. W. Strake No. 1 Union-Federal located in the "P" unit of section 23, T19S, R3OE, Eddy County, New Mexico to the G. W. Strake No. 1 State located in the "D" unit of section 25, T19S, R3OE, Eddy County, New Mexico.

This crude oil is a portion of the 725 barrels of crude oil purchased during December, 1960 from Cactus Petroleum, Inc. and used for completion purposes on our No. 1 Union-Federal.

351 barrels of the 725 barrels was not recovered from a fracture treatment of perforations from 1838 feet to 1858 feet in the Yates Sand in the No. 1 Union-Federal well and 10 barrels was lost to pits while swabbing. We have plugged off these perforations and at present we are preparing to commence producing this well from perforations from 1795 feet to 1808 feet and 1742 feet to 1756 feet in the Yates Sand formation. 317 barrels of this load oil was used to treat these latter perforations and all of the 317 barrels has been recovered.

Any additional information may be supplied by calling us collect at PLymouth 4-2251, Winters, Texas, or contact Mr. Ward.

Yours very truly,

G. W. STRAKE

CRM: cw

cc: G. W. Strake Houston, Texas