

TXO

PRODUCTION CORP.

415 WEST WALL, SUITE 900
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NOV 20 '89

ARTESIA OFFICE

November 17, 1989

Oil Conservation Division
811 South 1st Street
Artesia, New Mexico 88211

Attn: M. B. Williams

RE: C-102 - WELL LOCATION AND DEDICATION
PLAT - Shugart State Com. #1 Well
Eddy County, New Mexico

Dear Mr. Williams:

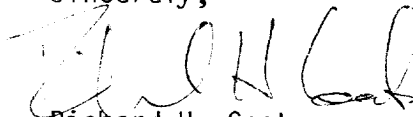
Enclosed herewith are two (2) amended C-102 forms for the Shugart State Com. #1 well located 2062' FWL and 714' FSL of Section 16, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico ("said well"). The original C-102 form dedicates the W/2 of Section 16 as the proration unit for said well. As evidenced by the amended C-102 forms enclosed herewith, TXO is requesting the S/2 of Section 16 be dedicated as the proration unit for said well.

A copy of the original Communitization Agreement covering the W/2 of Section 16 is enclosed for your information along with a copy of the new Communitization Agreement TXO is sending to Jamie Bailey of the State Land Office for approval.

Pursuant to your instructions, I have requested Mrs. Bailey to call your office for confirmation of your acceptance to the amended acreage dedication.

Your prompt attention to this matter will be greatly appreciated. Please let me know if you have any questions or comments.

Sincerely,



Richard H. Coats
Landman

RHC/lc

Enclosures