



COQUINA OIL CORPORATION

BUILDING OF THE SOUTHWEST  
MIDLAND, TEXAS 79701

(AC) 915 683-4661

June 27, 1974

Re: Carlsbad Airport, SW  
Coquina No. 270  
State Lease LG-1443  
Eddy County, New Mexico  
S/2, NE/4, E/2 NW/4 Section 16,  
T-23-S, R-26-E

RECEIVED

New Mexico Oil Conservation Commission  
Drawer DD  
Artesia, New Mexico 88210

JUL 1 1974

Attention: Mr. Bill Gressett

O. C. C.  
ARTESIA, OFFICE

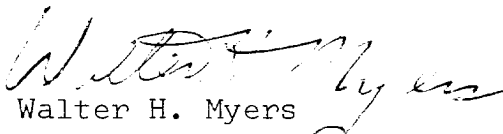
Gentlemen:

State Lease LG-1443 covering the above land was approved to Coquina December 1, 1973. On December 28, 1973 order No. SWD-151 was approved by the OCC to Hardin-Houston, Inc. to inject salt water into the Apache State #1-16. It seems that their permit to re-enter this well has now expired, effective May 27, 1974.

Coquina has drilled and is completing a well in Section 21, T-23-S, R-26-E, and has staked a well in the S/2 Section 16, T-23-S, R-26-E. Because of these recent oil and gas developments which directly affect the subject state lease and may possibly result in Coquina applying for a permit to re-enter and test the Apache State #1-16, we request that prior to approval of any other permit to drill or re-enter any well on the subject state lease Coquina be notified in order to present our views and to protect our leasehold rights. Please call Walter Myers or Ferrell Davis (Phone 915-683-4661) in the event a permit application is received. Thank you for your cooperation.

Sincerely,

COQUINA OIL CORPORATION

  
Walter H. Myers

WHM:lj