



July 23, 1982

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O. C. D.
ARTESIA, OFFICE

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88210

Attention: Mr. Mike Williams

Re: Southland State #1
Ut H, Sec. 1-25S-27E
Eddy County, New Mexico

Dear Mr. Williams:

Attached are the delinquent forms concerning the above referenced well.

With regard to setting the 13-3/8" casing string, this string was not set. Wayne Moore submitted Form C-101 October 13, 1981 and approval was granted October 16, 1981. The well was spudded October 19, 1981 by cable tools. During the week of December 13, 1981, Wayne Moore and Wood & Locker, Inc. entered into a working interest agreement whereby Wayne Moore requested Wood & Locker, Inc. take over as operator and drill the well with a rotary. JDJ Drilling Company moved in Rig No. 1 and started drilling December 23, 1981. I, at this point, had not received the Southland State No. 1 well file but was aware that Wayne Moore had received approval to drill the Amoco Federal No. 1 without the 13-3/8" string. When JDJ asked me what casing strings were to be set, I told them 8-5/8" at 2300' or below the last salt section and 4 1/2" at TD. JDJ had 14" conductor set and cemented at 40' in an 18" hole prior to moving on their rotary.

I prepare all drilling and completion forms alone. The last complete drilling operation that I was involved in within the State of New Mexico was in 1970 when I was employed by Union Oil Company of California. I, at the time of drilling the Southland State No. 1, was not aware of the fact that three strings of casing were required in this well. I, at no time, tried to short-cut any of the State's requirements intentionally.

At the time this well was drilling, I had two wells drilling in Oklahoma, three wells north of Pyote, Texas drilling, and three wells south of Stanton, Texas drilling (one of which was a deep sour test), all drilling at the same time.

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This well has been shut-in since July 1, 1982. Should you have any additional questions concerning this well, I will available at your request.

Very truly yours,

WOOD & LOCKER, INC.



D. M. Johnson
Drilling & Production Manager

DMJ:gh

Enclosures: Forms - 103
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Logs (4)
Exhibits "A" & "B"