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Oil Conservation Commission



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STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

1000 RIO BRAZOS ROAD
AZTEC

February 1, 1968

Texaco, Incorporated
P. O. Box 810
Farmington, New Mexico

Attn: Mr. C. P. Farmer, District Superintendent

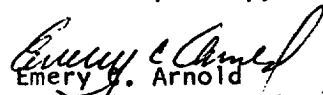
Dear Sir:

We have been forwarded two copies of Federal Notice of Intention to Drill for your C. A. Houck-Government well located in the southwest quarter of Section 11, Township 30 North, Range 11 West, San Juan County. We note that the well is designated both as a wildcat and as "stratigraphic test".

A letter setting our Commission policy in regard to stratigraphic tests was circulated in 1961 and this letter defines a stratigraphic test as a well which is drilled for geological information only and not as a potential producer. The letter further states that a stipulation is to be placed on the Notice of Intention to Drill indicating that the well is not to be produced. The definition used by the New Mexico Oil Conservation Commission is essentially the same as that recognized by the American Petroleum Institute. We note that Texaco has not stipulated on their notice that this well is to be drilled for geological information only and is not to be produced. I am therefore notifying Texaco with this letter that I cannot assign the well an allowable in the event that production is secured.

If you have questions concerning the above matter, please contact us.

Yours very truly,


Emery G. Arnold
Supervisor, District #3

ECA:mc

cc: Mr. A. L. Porter
Oil Conservation Commission
Santa Fe, New Mexico

United States Geological Survey
Farmington, New Mexico

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