

Utex Exploration Company, Inc.

PETROLEUM DIVISION
ROOM 25, BACON BUILDING
P. O. BOX 628
ABILENE, TEXAS

T. R. HAVINS, JR.
MGR. LAND AND PRODUCTION DEPARTMENTS

CHARLES A. STEEN
PRESIDENT
CHIEF GEOLOGIST

J. C. ASHBY
GENERAL MANAGER

March 5, 1957

Mr. R. E. Canfield
Acting Oil & Gas Supervisor
United States Geological Survey
P. O. Box 6721
Roswell, New Mexico

Dear Sir:

RECEIVED - 7-57
BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Moab EXHIBIT No. 2
CASE 1225

Several days ago Mr. Archie M. Speir, our engineer in Artesia, was in your office to discuss a proposed pilot water flood project contemplated by Moab Drilling Company in the High Lonesome Field, Eddy County, New Mexico.

This letter is written to bring you up to date on plans for the proposal:

Enclosed please find the following:

1. Copy of letter dated February 21, 1957, to New Mexico Oil Conservation Commission requesting that a hearing be set on the pilot flood.
2. Copy of letter dated February 28, 1957, to New Mexico Oil Conservation Commission amending the application for hearing.

Please note that 40 acres of State land are involved in the pilot flood, as well as 40 acres of Federal land.

Our present water source well is on State land. However, we anticipate needing a larger amount of water when our capacity flood is activated. It is my understanding that under our lease, Federal Las Cruces 068677, we may produce water for use in the flood from any wells we may drill in NW $\frac{1}{4}$ of Section 15.

It is my further understanding that the same rights will apply under Federal Las Cruces 066119(a), S $\frac{1}{2}$ Section 17 and NW $\frac{1}{4}$ Section 20, and Federal Las Cruces 062996(b), NW $\frac{1}{4}$ Section 17. These leases are owned by Charles A. Steen, who is also owner of Moab Drilling Company.

We do not have any plans for immediate drilling of water source wells on these lands, but do anticipate that more wells may be necessary at a later date.

I have not been notified officially as yet, but it is my understanding that the hearing before the Oil Conservation Commission will likely be held in Santa Fe on March 21, 1957.

In connection with the amended application referred to above, please be advised that the locations of the proposed injection wells were changed at the suggestion of your office and the Oil Conservation Commission.

If there is any other information that I can supply you in this connection, please feel free to call on either me or Mr. Speir in Artesia.

If you have no objection to our proceeding with our plans as outlined in this letter and the two letters enclosed, I will appreciate your writing me to that effect. In case you do have any objections, I would appreciate knowing of them in order that we may do whatever is necessary to eliminate the causes.

Yours very truly,



T. R. Havins, Jr.
For Moab Drilling Company

TRHms

Encls.

cc: A. M. Speir
Box 1268
Artesia, New Mexico

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
125 Mabry Hall
Capitol Building
Santa Fe, New Mexico

Mr. Dorman Stevenson
Box 669
Santa Fe, New Mexico ✓

Mr. C. A. Steen
Box 487
Moab, Utah