August 9, 1960

Mr. Jack Campbell Box 766 Roswell, New Mexico

Dear Sir:

Enclosed herewith is Commission Order No. R-1729, entered in Case No. 2032, approving the South Caprock-Queen Unit Water Flood Project.

According to our calculations, when all of the authorised injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 1176 barrels per day.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate District provation office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behoves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Your attention is also called to the location of

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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE. NEW MEXICO

Mr. Jack Campbell August 9, 1960 -2-

Tract 6, Well No. 1-18, which was changed slightly from the original location proposed at the hearing. This was done in order to move the well off the quarter-quarter section line in order to attribute it to some single 40-acre tract and was moved in accordance with telephone conversation between Bill Owen of Union Oil Company of California and Dan Mutter of this office.

Very truly yours,

A. L. PORTER, Jr., Secretary-Director

ALP/DSN/og

cc: Oil Conservation Commission - Hobbs

Oil Conservation Commission - Artesia