OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

July 23, 1968

Mr. Booker Kelly White, Gilbert, Koch & Kelly Attorneys at Law Post Office Box 787 Santa Fe, New Mexico

Dear Sir:

Reference is made to Commission Order No. R-3442, recently entered in Case No. 3788, approving the Texaco State "W" Waterflood Project in the Vacuum Pool.

Injection shall be into open hole through the one water injection well authorized by said order. The injection well shall be equipped with 2 3/8-inch plastic-lined tubing set in a packer located within 100 feet of the casing shoe.

As to allowable, our calculations indicate that when all of the authorized 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 84 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less.

Please report any error in this calculated maximum allowable immediately, both to the Santa Pe 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 behoeves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status

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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.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/DSN/ir

CC: Dil Conservation Commission Post Office Box 1980 Hobbs, New Mexico Mr. D. E. Gray State Engineer Office

Santa Fe, New Mexico

GOVERNOR DAVID F. CARGO CHAIRMAN

State of New Mexico Gil Conservation Commission

LAND COMMISSIONER GUYTON B. HAYS MEMBER STATE GEOLOGIST A. L. PORTER, JR. SECRETARY - DIRECTOR

P.O. BOX 2088 SANTA FE

July 3, 1968

Mr. Booker Kelly White, Gilbert, Koch & Kelly Attorneys at Law Post Office Box 787 Santa Fe, New Mexico Re: Case No. 3788 Order No. R-3442 Applicant:

TEXACO INC.

Dear Sir:

Enclosed herewith is a copy of the above-referenced Commission order recently entered in the subject case. Letter pertaining to conditions of approval and maximum allowable to follow.

Very truly yours,

L. Sontin, L.

A. L. PORTER, Jr. Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC × Artesia OCC_____ Aztec OCC_____ State Engineer ×

Other_____