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

November 19, 1968

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

Dear Sir:

Enclosed herewith is Commission Order No. R-3565, entered in Case No. 3933, approving the Texaco Drinkard Lockhart Waterflood Project.

Injection is to be through the one authorized water injection well, which shall be equipped with a string of plastic-coated tubing set in a packer at approximately 6750 feet. The casingtubing annulus shall be loaded with an inhibited fluid and equipped with a pressure gauge to facilitate detection of leakage in the casing, tubing or packer.

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 223 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 Fe office of the Commission and the appropriate district proration office.

OIL CONSERVATION COMMISSION

P. O. BOX 2088 -2- SANTA FE, NEW MEXICO 87501 Mr. Booker Kelly White, Gilbert, Koch & Kelly Attorneys at Law Post Office Box 787 Santa Fe, New Mexico

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 behooves 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.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/DSN/ir Enclosure

cc: Oil Conservation Commission Hobbs, New Mexico

> Mr. D. E. Gray State Engineer Office Santa Fe, New Mexico

 \bigcirc

OIL CONSERVATION COMMISSION

P. O. BOX 2088

-i-ALL BROWN KGR g White, Gillert, Koch & Kell; ALL-Eneys at few Rost Office 80: 747 58.08 80: Rev 38:100

The ender that the alloweele costyned to the project say se keep correct, and in order that a supersour may tealy schelt won the silowable provisions of Pale 7(3, is unboover in to promotiv potric parties the aforeware ered Consission offices by fevrer of any craise in the status of wells in the croject streat of active injection commences, in the croject streat the score of injection commences, in additional injection or could well out drilled, when add or wells are read a reader for the could all the first of the status of the croject of the reader of white the status of the could could be are acquired through purtances of white the work of the could be to be to be a streated in sector, each office when add or wells are acquired through purtances of white offices work or the could be to be to be a streated in sector, each or a status of the could be to be to be a streated through the status of the status of the status of the sector of the status of the sector.

ant of se perioder of a testumon wit furtheer at tothereduce and The notation of the more set of the set of the set of the state

,ettre line ise

AL AL PORTER, TY. Sectoroly - Electron

> a de la secola de la Esta de la secola de

(c) Charactystica Committee at actual Market Market

> er. E. Graj Prio Enginant Office Saile Pe, Eus nesios