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

September 12, 1969

Mr. Jason Kellahin Kellahin & Pox Attorneys at Law Post Office Box 1769 Santa Fe, New Mexico

Dear Sir:

Enclosed herewith is Commission Order No. R-3837, entered in Case No. 4217, approving the Tamarack Northeast Pearl Queen Unit Waterflood Project.

Injection is to be through the eight authorized water injection wells, each of which is to be equipped with plastic-lined tubing set in a packer. Packers shall be located approximately 50 feet above the uppermost perforation. The casing-tubing annulus in each well shall be loaded with a corrosion-inhibited fluid and equipped with a pressure gauge at the surface to facilitate detection of leakage in the packer, tubing, or casing.

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 924 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.

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.

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-2-Mr. Jason Kellahin Kellahin & Fox Attorneys at Law Santa Fe, New Mexico

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

Enclosure

ALP/DSN/ir

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cc: Oil Conservation Commission Hobbs, New Mexico

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