OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

March 6, 1963

Mr. John Russell Attorney at Law Post Office Box 640 Roswell, New Mexico

Dear Mr. Russell:

Enclosed herewith is Commission Order No. R-2443, entered in Case No. 2755, approving the General American Oil Company of Texas High Lonesome Waterflood Project.

According to our calculations, when all of the various stages of 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 as follows:

Stage I 546 barrels per day Stage II 1218 barrels per day Stage III (peripheral or pattern) 1260 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 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

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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

Oil Conservation Commission Artesia, New Mexico

Case File 2755