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January 11, 1978

State of New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

> V-F Petroleum Inc. Re: State 15-1 Lease, Sec. 15, T-9-S, R-32-E, and State 14-1 Lease, Sec. 14, T-9-S, R-32-E, SRR Devonian Field, Lea County, New Mexico

Gentlemen:

V-F Petroleum Inc. respectfully requests an exception to Rule 309-A to permit the production from our State 15-1 Lease to be pipelined to our State 14-1 Lease for storage thereon prior to measurement. V-F Petroleum Inc. made an unsuccessful attempt to make a Devonian producer in the State 14-1 Well No. 1, and we herein request permission to use all of the oil and water treatment and storage facilities, electrical and other equipment, located on the State 14-1 Lease for the State 15-1 Lease production. Granting this approval would mean a substantial savings to V-F Petroleum Inc. and permit us to maintain a more satisfactory and prudent field operation.

There will be no commingling of production from the two leases as all production is from the State 15-1 Well No. 1, which produces from the Devonian. The State 14-1 will be converted to salt water disposal pending a hearing and subsequent approval of the Land Commission and Conservation Commission.

Please find attached a plat showing pertinent information, the locations of both leases, and the wells thereon.

A copy of this letter (application) and plat is being sent to the Land Commission, the only owner involved other than V-F Petroleum Inc. If there are any questions, please advise.

Yours very truly, Which

V. F. Vasicek President

VFV:bp

att: (1) Plat