



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

July 16, 1992

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

American Exploration Company
1331 Lamar, Suite 900
Houston, TX 77010-3088

Attn: Marty McClanahan

RE: Post #1, Unit I, Sec. 1, T14S, R37E

Gentlemen:

In May 1991 you abandoned the Devonian disposal zone in the above-referenced well and attempted an oil completion in the Wolfcamp zone. That zone was non-productive and the well was called TA. Under our new TA policy a wellbore that has been idle for one year must be pressure tested and a TA permit obtained.

In order to bring this well into compliance, please file your intent to set a BP above the Wolfcamp zone and pressure test this well. Your other options would be to put in on production or plug it.

Your prompt attention to this matter will be expected.

Very truly yours,

OIL CONSERVATION DIVISION

A handwritten signature in cursive script, reading "Jerry Sexton".

Jerry Sexton
Supervisor, District I

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